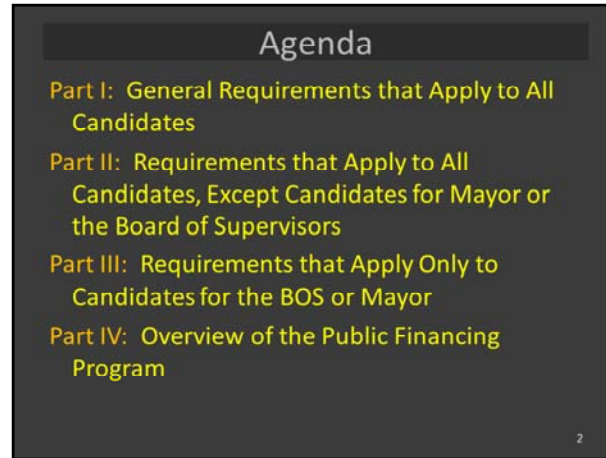
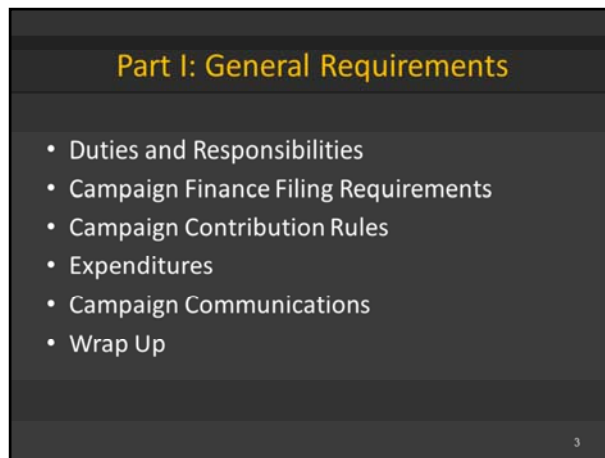


This is the Ethics Commission's training for candidates running for City elective offices in November 2015. This recording is intended to assist candidates and their treasurers with filing obligations. If there are any inconsistencies between the information provided in this training and the law, the law prevails.

To complete your training requirement for the November 2015 election, you must watch this presentation and file the Form SFEC-107 with the Ethics Commission by October 2, 2015.



This training consists of four parts. The first part explains general campaign finance requirements that apply to all candidates running for office in November 2015. The second part covers requirements that apply only to candidates who are not running for Mayor or the Board of Supervisors. The third and fourth parts apply only to candidates running for Mayor or the Board of Supervisors.



Part I covers general requirements that apply to all candidates running for office in November 2015.

**Duties and Responsibilities**

1. Every candidate who forms a committee must have a treasurer.
  - a) Candidate and his or her designated treasurer must attend required training.
2. Establish a complete and organized recordkeeping system.
  - a) Ensure that receipts and expenditures are recorded promptly.
3. Prepare campaign statements personally or carefully review campaign statements prepared by others to ensure they adhere to campaign finance rules and requirements.
4. Verify and sign campaign statements.
5. Submit statements on time to avoid late fees.
6. **Comply with applicable laws; personal liability for campaign finance violations.**

2 Cal Code of Regs. § 18427 & S.F. C&GC Code § 1.170(g)



Every committee must have a treasurer and until a committee has a treasurer it cannot accept contributions or make any expenditures. A candidate can choose to be his or her own treasurer.

It is important to know at the onset of your campaign that keeping complete and organized records is important to ensure that contributions and expenditures are recorded promptly. Keeping organized records will save you time in the long run and help you avoid any late fees or violations of the law.

If you have others prepare campaign statements for you, you are personally responsible for verifying them and signing them to affirm that the campaign statements are complete and accurate. So it is very important that you entrust reliable and detailed oriented persons who are concerned about meeting deadlines and following rules. More importantly, candidates and treasurers may be held personally liable for campaign finance violations which may lead to late fees, forfeitures and penalty assessments.

### Campaign Finance Filing Requirements


- Before You Raise or Spend any Money
- Raising/Spending Less than \$1,000?
- Raising/Spending \$1,000 or More?
- After Forming a Committee
- FPPC Form 460 Filing Schedule
- Electronic Filing of FPPC Forms

5

This section covers the types of forms you need to file and whether you qualify to form a committee.

**Before contributions are solicited or received and before any campaign expenditures are made:**

Action	To Whom Do the Filings Go?
<input type="checkbox"/> File <u>Form 501</u> , the Candidate Intention Statement	<input type="checkbox"/> Ethics Commission
<input type="checkbox"/> File the <u>Declaration of Intention</u> to Solicit or Accept Contributions	<input type="checkbox"/> Department of Elections



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Before you raise or spend any money, you must file a Form 501 with the Ethics Commission and a Declaration of Intention with the Department of Elections.

**Raising and Spending Less Than \$1,000**

- File FPPC Form 470 (Short Form)
- Open a campaign bank account if you raise any money from others.

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If you are raising and spending less than \$1,000, file the FPPC Form 470.

Form 470 is filed once every year to cover the calendar year. If you have declared your candidacy by June 30, you file the form 470 by July 31. If you declare after June 30 you file the Form 470 no later than the first pre-election filing deadline which generally falls in September.

San Francisco Ethics Commission's  
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**If you file a Form 470 but subsequently reach the \$1,000 threshold:**

Due Date	Action \$1,000 threshold	File With
<b>Within 48 hours of receiving or spending \$1,000</b> <b>AND</b>	<input type="checkbox"/> File a Form 470 supplement <input type="checkbox"/> Notify your opponents	<input type="checkbox"/> Ethics Commission <input type="checkbox"/> Secretary of State's Office <input type="checkbox"/> Each candidate seeking same office
Within 10 days of reaching the \$1,000 threshold <b>AND</b>	<input type="checkbox"/> Form a committee by filing <u>Form 410</u> Statement of Organization	<input type="checkbox"/> Original with Secretary of State (SOS) <input type="checkbox"/> <b>(New!) Pay a \$50 fee to the SOS</b> <input type="checkbox"/> 2 copies with the Ethics Commission
(see future slide for info)	<input type="checkbox"/> Form 460	

If you file a Form 470 and then subsequently reach the \$1,000 threshold, you have to file a Form 470 supplement, notify your opponents, and form a committee.



San Francisco Ethics Commission's  
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Raising or spending \$1,000 or more		
Due Date	Action	File With
Within 10 days of reaching the \$1,000 threshold	<input type="checkbox"/> Open a bank account	<input type="checkbox"/> At a bank located in San Francisco
	<input type="checkbox"/> Form a committee by filing <u>Form 410</u> Statement of Organization	<input type="checkbox"/> Original with Secretary of State (SOS) <input type="checkbox"/> <u>Pay a \$50 fee to the SOS</u> <input type="checkbox"/> 2 copies with the Ethics Commission
(See FPPC Filing Schedule.)	<input type="checkbox"/> File Form 460 <input type="checkbox"/> File Form 497	<input type="checkbox"/> Ethics Commission

If you will receive or spend \$1,000 or more, form a committee by filing FPPC Form 410. You will also need to open a bank account. Thereafter, you will file Form 460 periodically until you terminate the committee.

**Form 410 Fees**

Pay the Secretary of State the \$50 fee:

- Within 10 days of reaching the \$1,000 threshold and
- Also by January 15 each year



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When you file your Form 410 with the Secretary of State's office, include a \$50 fee payable to the Secretary of State. Thereafter, if your committee is still active in subsequent years, the \$50 fee is due annually no later than January 15.

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After Forming a Committee, You Must File FPPC  
Form 460 for the Life of Your Committee

November 3, 2015 Filing Schedule

Deadline	Period	Form
July 31, 2015	1/1-6/30/15	460
September 24, 2015	7/1-9/19/15	460
October 22, 2015	9/20-10/17/15	460
February 1, 2016	10/18-12/31/15	460
If your committee has not terminated by 12/31/15, you must file Form 460 semi-annually thereafter, until you terminate:		
July 31/January 31 until committee terminates	Periods ending 6/30 and 12/31 until committee terminates	460

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After forming a committee, you file the Form 460 for the life of your committee to disclose your contributions and expenditures.

The deadlines for this election are listed above. If your committee is still active after the election, you file Form 460 semi-annually until you terminate your committee.

**\$1,000 or more during the  
Late Reporting Period**

If you make contributions (including loans) to your campaign totaling \$1,000 or more during the **90 days** immediately preceding the election, your committee must file:

**Late Contribution Report (FPPC Form 497) with the Ethics Commission, within 24 hours**

Deadline	Period	Form
Within 24 Hours	8/5-11/2/15	497

Gov't Code § 84203 12

The late reporting period is the 90-day period before an election. For the November 2015 election, the late reporting period covers August 5 through November 2, 2015.


During this period, if you give your committee a loan or contribution of \$1,000 or more, your committee must file Form 497 within 24 hours.

**Electronic Filing**

Forms 460 and 497 are required to be filed in  
electronic format for the life of your committee

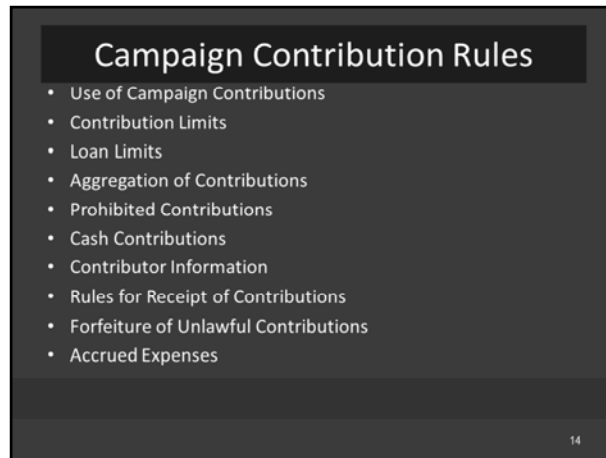
Learn how to electronically  
file statements, by going  
to [www.sfethics.org](http://www.sfethics.org) (click  
on "Register" under "E-File  
Statements").

**All committees  
must file  
electronically**



S.F. C&GC Code § 1.112 13

All committees are required to file electronic campaign statements. Please contact the Ethics Commission staff to set-up an online e-filing account in the San Francisco Electronic Disclosure System or SFEDS.




This section covers several items in the area of campaign contributions such as contribution limitations, cash contributions, and contributor information.

**Use of Campaign Contributions**

Funds in a candidate's campaign account may be used

- Only on behalf of the candidacy for the office specified in the candidate's declaration of intention.
- Campaign contributions may be used for expenses associated with holding office.



S.F. C&GC Code § 1.122 15

Contributions you receive can be used only to support your candidacy.  
Contributions may also be used for officeholder expenses.

Always deposit your contributions into your campaign account before spending the money.

Campaign funds may NOT be used to:

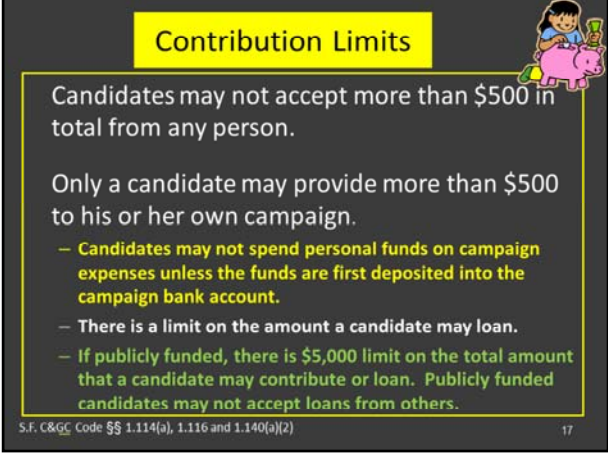
- Make contributions to or expenses for the purpose of supporting another candidate or to support or oppose a ballot measure.
- Make charitable contributions.
- Reimburse the candidate for campaign expenses.
- Pay for personal expenses such as clothing.
- Pay the candidate for use of his or her home.
- Compensate the candidate's spouse or domestic partner for any services rendered.

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A candidate may not use campaign funds for any of the following purposes:

- × to support another candidate or to support or oppose a ballot measure;
- × to make charitable contributions;
- × to reimburse the candidate;
- × to pay for personal expenses such as clothing;
- × to pay for use of the candidate's home; or
- × compensate the candidate's spouse or domestic partner for any services rendered.





**Contribution Limits**

Candidates may not accept more than \$500 in total from any person.

Only a candidate may provide more than \$500 to his or her own campaign.

- Candidates may not spend personal funds on campaign expenses unless the funds are first deposited into the campaign bank account.
- There is a limit on the amount a candidate may loan.
- If publicly funded, there is \$5,000 limit on the total amount that a candidate may contribute or loan. Publicly funded candidates may not accept loans from others.

S.F. C&GC Code §§ 1.114(a), 1.116 and 1.140(a)(2)

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No person can give a candidate more than \$500 per election.

The only instance in which a candidate may receive more than \$500 from a person is when the candidate provides a loan or contribution from personal funds to his/ or her own committee. When a candidate spends his or her funds on campaign expenses, the funds must first be deposited into the campaign bank account and the expenses must be paid from the campaign bank account.

There is a limit on the amount of loans that a candidate may provide to his or her campaign, which is discussed in the next slide.

A publicly funded candidate may not provide, in aggregate, more than \$5,000 to his or her campaign. A publicly funded candidate also may not accept loans from others.

Loan Limits	
City Elective Office	Limit on loans from candidate's personal funds
City Attorney, Treasurer, District Attorney or Sheriff	\$35,000 at any given time*
Mayor (non-publicly funded)	\$120,000 at any given time*
Board of Supervisors (non-publicly funded)	\$15,000 at any given time*
Candidates for Mayor or the Board of Supervisors seeking public funding	\$5,000 in total (monetary contributions and loans)

\*Loans from others are subject to the \$500 contribution limit. (Publicly funded candidates may not receive loans from others)

S.F. CRGC Code §§ 1.116 & 1.140 18

There is a limit on the amount of loans that a candidate may provide to his or her committee. The limit on for candidates for City Attorney, Treasurer, District Attorney or Sheriff is \$35,000. The limit for a candidate for Mayor who does not receive public funding is \$120,000. The loan for a candidate for the Board of Supervisors who does not receive public funding is \$15,000.

A candidate for Mayor or the Board of Supervisors who is interested in seeking public funding may not receive loans from others and may not use more than \$5,000 of his or her personal funds for campaign purposes.

**Contributor's Contribution Limits  
Not Enforced**

Due to a recent Supreme Court decision, the Ethics Commission is not enforcing the following City law:

The maximum amount that a contributor may give to all candidates in an election may not exceed \$500 multiplied by the number of City elective offices on the ballot.

S.F. C&GC Code § 1.114 (a)(2) 19

Note that City law states that no person may make a contribution that will cause the total amount contributed by that person to all candidates in an election to exceed \$500 multiplied by the number of City elective offices on the ballot. However, the Ethics Commission will not enforce this limit in light of recent United States Supreme Court jurisprudence.

See S.F. C&CG Code § 1.114(a)(2); Ethics Commission Resolution adopted May 28, 2014; *McCutcheon v. Federal Election Commission*, 572 U.S. \_\_\_, No. 12-536 (S.Ct. Apr. 2, 2014).

**Aggregation of Contributions**

- Contributions from affiliated persons must be aggregated.

**Example:**

+ \$100 John Campbell  
+ \$100 Campbell Pottery  
= \$200 aggregated and cumulative contribution



S.F. C&GC Code § 1.114(d) 20

All cumulative contributions from persons that are affiliated have to be aggregated to determine whether they are within the \$500 limit.

Contributions from a person must be added to the contributions from the entities that are controlled or directed by that person, or that are majority owned by that person, unless the entities act independently in their decision to make contributions.

For example, if John Campbell gives you \$100 and his business Campbell Pottery also gives you \$100, then the total aggregated contribution from John Campbell is \$200.

**Cash Contributions**  
**(must be \$99.99 or less)**

- Deposited into the campaign bank account before making expenditures
- Cash contributors should complete and sign a contributor card at the time the contribution is made

NOTE: "Cash contribution" includes:  
•Money orders  
•Cashiers checks  
•Official checks  
•Travelers checks

**Example of a Contributor Card**

Name
Amount
Date of Contribution
Street Address
Occupation and employer information (if self employed, business name; if no business name exists, specify "self-employment/same")
Contributor's Signature and date signed

Cal. Gov't Code § 84300 21

Cash contributions must be \$99.99 or less. You cannot accept a hundred dollar bill and give change back.

For every cash contribution that you receive you should ask your contributors to complete and sign a contributor card that provides a record of the contribution and allows you to record the contributor information, which you need for the filing of campaign statements.

Keep in mind that cash contributions include items such as money orders, cashier's checks, official checks and traveler's checks.

**Contributor Information**

A committee **may not deposit** a contribution totaling **more than \$100** unless the committee has the following:

Contributor Information	
Full Name	
Street Address (No P.O. Box Addresses!)	
Occupation and Employer Information (if self-employed, business name; if no business name exists, specify "self-employed/same")	
Date and Amount of Contribution	

S.F. C&GC Code § 1.114(e) 22

For contributions made by check you should ensure that you make copies of all the checks you receive before you deposit them into your campaign bank account. For credit card contributions, you should ensure that your credit card vendor provides documentation to you about the contributions that your campaign receives.

Whenever a contributor gives you a contribution totaling one hundred dollars or more you need to make sure you have complete contributor information such as the contributor's full name, street address, occupation and employer information. If the contributor is self-employed you should ask for the contributor's business name. You need this information to file complete and accurate campaign statements.

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**Contributor Information: Example**

Dan Smith contributes \$50 cash on August 1. Dan Smith writes a check for \$60 on September 1.

You must obtain and report Dan Smith's full name, street address, occupation and employer information.

**Example: FPPC Form 460 Schedule A**

DATE RECEIVED	FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF CHECKED, ALL INFORMATION IS REQUIRED)	CONTRIBUTOR CODE *	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED THIS PERIOD	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)
8/1/2015	Dan Smith 123 Smith Lane, SF, CA 94102	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PFI <input type="checkbox"/> SCC	Attorney, Smith, Kline and Perkins	\$50	\$110.00
9/1/2015	Dan Smith 123 Smith Lane, SF, CA 94102	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PFI <input type="checkbox"/> SCC	Attorney, Smith, Kline and Perkins	\$60	\$110.00

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Here is an example of how you would report contributor information on Form 460. In this example, Dan Smith contributes \$50 and then another \$60. Because Dan has given you \$100 or more you must also report the contributor's street address and occupation and employer information.

**Ban on Corporate Contributions**

**Contributions accepted from corporations must be forfeited.**



With respect to an LLC, ask about the company's tax status to verify it is taxed as a corporation by the IRS.

S.F. C&GC Code § 1.114(b)

If the name of an entity includes words such as "Corporation," "Incorporated," or "Inc.," do not accept contributions from such entities.

Corporations are not allowed to make contributions to candidates running for City elective office. You can check the Secretary of State's website to determine whether an entity is a corporation. If the entity is an LLC, you need to ask whether the LLC elects to be treated as a corporation for tax purposes. LLCs that file taxes as corporate entities may not contribute.



**Ban on Contributions from Contractors**



Contractors who do business with the City cannot contribute when the contract(s) has a total value of \$50,000 or more.

The ban applies from the commencement of negotiations until termination of negotiations or six months from the date the contract is approved.

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Contractors who do business with the City may not contribute to any candidate for such elective office when the contract or series of contracts has a total value of \$50,000 or more. The ban applies from the time that negotiations commence until either the termination of negotiations or six months from the date the contract is approved.

**Disclosure Required of Elected Officials**

- Elected officials are required to notify the Ethics Commission within five business days of contract approval (Form SFEC-126).

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When elected officials approve contracts they must notify the Ethics Commission by filing Form SFEC-126.

You can find information about contract disclosures on the Ethics Commission website under Form SFEC-126 disclosures.

## Ban on Contributions from Contractors, Continued

Due diligence by candidate: Ask the contributor to certify that the following is true:

- I am not an owner, director, officer, or named sub-contractor of any entity that is currently negotiating a contract with [select appropriate: City and County of San Francisco, name of a City department, or the SFUSD, the S.F. Community College District, or board of a state agency that has a member who is appointed by a City elective officer], or of any entity that received such a contract within the last six months.

SFEC Regulations § 1.126-7

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A candidate will meet the due diligence requirements of the contribution ban in section 1.126 of the S.F. Campaign and Governmental Conduct Code if the contributor certifies to the candidate that he or she is not prohibited from contributing under section 1.126. S.F. Ethics Commission Regulations section 1.126-7 specifies language that a contributor should certify. The language is listed on the current slide.


### Due Diligence When Receiving Contributions

- Due diligence standards posted to the Ethics Commission's website at:  
[www.sfethics.org](http://www.sfethics.org)
  - click on "Candidates and Officeholders" under the "Forms and Manuals" menu.
  - Then click on link titled: "Due Diligence Efforts by Candidates"

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Please refer to the Commission's guidelines on due diligence standards for candidates when receiving contributions. These guidelines are posted to the Commission's website.

Contributions are forfeited to the City when they:



- ✓ exceed contribution limits;
- ✓ are received from corporations;

**OR**

- ✓ lack contributor information.

S.F. C&GC Code § 1.114(f)

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Contributions are forfeited to the City under certain conditions.

Before accepting a contribution, you must ensure that the contribution complies with campaign finance requirements. For example, you must ensure that:

- 1) contributions from a contributor total \$500 or less;
- 2) the contributor is not a corporation; and
- 3) you have the contributor's complete information such as street address and/or occupation and employer information.

Contributions that are in excess of the contribution limit, are received from corporations or that lack complete contributor information, must be forfeited to the City.

**Rules for Receipt of Contributions**

A contribution will **NOT** be considered received if...

- ✓ It has not been cashed, negotiated or deposited

AND

- ✓ It is returned to donor before the closing date of the campaign statement on which the contribution would otherwise be reported.

During the 16-days before an election, contributions **MUST BE RETURNED WITHIN 48 HOURS.**

Note: A contribution of \$1,000 or more received during the 90-day period before an election must be returned within **24 hours.**

S.F. C&GC Code § 1.114(g) 30


When someone gives you a contribution, you have some time to decide whether you want to keep the contribution.

If you do not cash, negotiate or deposit the contribution and you return it to the donor before the closing date of the current reporting period, you are not considered to have received the contribution.

However, during the 16 days immediately preceding the election, you have only 48 hours to decide whether a contribution is acceptable and whether you want to keep it. Also, if you receive a contribution of \$1,000 or more during the 90-day period before an election, you must return it within 24 hours.

**Rules for Receipt of Contributions**

**Example**



Tom receives a \$100 check from Ducks Inc. on 6/10/15. He then realizes that Ducks Inc. is a corporation so he returns the check before the closing date of the period (i.e., 6/30/15).

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In this example, Tom receives a \$100 check from Ducks Incorporated on June 10, 2015. He then realizes that he cannot accept contributions from a corporation so he returns the check to Ducks Inc. before 6/30/15. Because Tom returned the check by the close of the reporting period, he is NOT deemed to have accepted the contribution.

When situations like this arise, keep records of your research and correspondence for auditing purposes.

**Payment of Accrued Expenses**

Candidates who accept goods or services on credit must pay...

- In full
- No later than 180 days after receiving bill/invoice
- Expenses that remain unpaid are considered contributions and are subject to the \$500 contribution limit

✓ Exception: Good faith disputes

**Report accrued expenses on Schedule F of Form 460**

S.F. C&GC Code § 1.118

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Accrued expenses are unpaid bills for which you've received goods or services. When you don't pay for accrued expenses within 180 days, they are considered to be contributions and are subject to the \$500 contribution limit.

It is important that if you receive goods or services on credit, you should periodically assess how much money is in the campaign bank account and pay your vendors in full no later than 180 days after accruing the expense.

If vendors do not provide invoices in a timely manner, it is your responsibility to contact them to obtain the invoices so that you can meet the requirement. You must ensure you have sufficient funds to pay your invoices on time because if you do not pay within 180 days, you may be in violation and accrue fines for each day the expense remains unpaid.





This section covers disclosure requirements pertaining to communications

**Mass Mailing Disclosure Requirements**  
(> 200 pieces substantially similar pieces of mail)

- Display in **font size  $\geq$  14 pt** on outside:
- "Paid for by [insert committee's name], and
- Street address, city, state and zip

Filing requirement explained on next slide

Paid for by Committee to Elect McKay for Board of Education  
20 Pink Street  
San Francisco, CA 94102

Gov't Code: § 84305, S.F. C&GC Code § 1.161(a) and 2 Cal Code of Regs. § 18435

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A mass mailing is any mailing of more than 200 pieces sent in a calendar month. Some examples include letters soliciting contributions or a brochure listing the candidate's position and urging voters to support the candidate may be mass mailings.

The committee is required to ensure that certain disclosure is on the outside of the mailer. The committee must place the words "paid for by" in at least 14 point font followed by the committee name as well as the committee's street address and city, state and zip code. In addition, there are filing requirements, which are discussed in the next slide.

**Mass Mailing Disclosure Requirements**  
(> 200 pieces substantially similar pieces of mail)

- File *Form SFEC-161a* with
- 2 pieces of the mailing
- within 5 working days after the date of the mailing

Due 5 days after the date of mailing!

**\*DUE WITHIN 48 HOURS** during the **16-day period immediately preceding the election.**

Gov't Code: § 84305, S.F. C&GC Code § 1.161(a) and 2 Cal Code of Regs. § 18435 35

When you send a mass mailing, you must file a Form 161a along with two pieces of the mail within five business days of sending the mass mailing.

During the 16-day period immediately preceding the election, Form 161a must be filed within 48 hours of the date of the mailing.

**What are Campaign Advertisements?**

- a tv or radio programming;
- a newspaper or magazine ad;
- a billboard;
- and
- posters, door hangers and yard signs produced in quantities of 200 or more.



S.F. C&GC Code § 1.162

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Campaign advertisements include television or radio programming; communications placed in a newspaper, periodical or magazine, and billboards. Campaign advertisements also include posters, door hangers, and yard signs that are produced in quantities of 200 or more.

**Campaign Advertisements:  
Disclosure Requirements**

Any campaign advertisement that urges support for or opposition to one or more candidates for City elective office must include the following disclosure statement identifying the person who paid for the advertisement:

- "paid for by \_\_\_\_\_ (insert name of the person who paid for the communication)\_\_\_\_."
- in at least 14 point type if in printed form; or
- if in spoken form, at same volume and speed as the rest of the communication and be appropriately conveyed for the hearing impaired.

S.F. C&GC Code § 1.162

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Whenever you pay for a campaign advertisement you must ensure that it has proper disclosure. The advertisement must include “paid for by,” followed by the name of the committee.

If the ad is in written form, this disclosure must be in at least 14 point font and if the ad is in spoken form the disclosure must be played at the same volume and speed as the rest of the communication and appropriately conveyed for the hearing impaired.

**Live or Recorded Telephone Messages**  
(Distributed to 500 or more households)


Disclosure Requirements:

- "Paid for by \_\_\_ (name of person who paid for the message)\_\_\_.
- Such statements must be audible and played at the same volume and speed as rest of message.

Disclosure not required when non-recorded calls (live calls) are made by the candidate, campaign manager, or volunteers. You must still keep a script of such calls.

S.F. C&GC Code § 1.163  
Gov't Code § 84310

This message was paid for by the Committee to Support Healthy School Lunches.




When telephone calls are made to 500 or more households, they must include the following disclosure: "paid for by" and the name of your committee.

Statements must be audible and played at the same volume and speed as the rest of the recorded telephone message. Any person paying for a recorded telephone message must maintain a copy of the recording, transcript of the message and a record of the number of distributed calls for each message.

The name of the committee is also required to be disclosed when a candidate committee pays for non-recorded telephone calls that aggregate to 500 or more in number, unless the calls are made by the candidate, campaign manager, or individuals who are volunteers. A committee that pays for non-recorded telephone calls must maintain a script of the call and a record of the number of distributed calls.

## Record Keeping

- For live or recorded telephone calls retain:
  - A record of the number of distributed calls for each message and the date they were distributed;
  - The cost of the telephone calls;
  - Transcript of the message; and
  - A copy of the recording if the message was recorded.
- For other communications, retain:
  - A sample of the communication;
  - The method by which the communication was disbursed;
  - The number of communications disbursed and the date(s) disbursed; and
  - The cost of each communication



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You are required to keep a sample of every communication you produce and detailed records regarding the communications.

**Electronic Media**

- Faxes and twitter feeds require the following disclaimer: **name of committee**
- Electronic mail messages require the following disclaimer: **the words "paid for by" and name of committee**
- Disclaimers on other types of electronic media, such as websites, are not required but recommended: **committee name and committee ID number**

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When you send an electronic mail message, fax or twitter feed, you must include the name of your committee.

When you place a communication through other electronic medium such as a website, it is recommended that you include a disclaimer to identify the name of your committee and your FPPC Identification number.



**Persuasion Polls: Definition**

Any telephone survey/series of substantially similar telephone surveys, that:

- ✓ refers to a clearly identified candidates for City elective office (not a basic preference question)
- ✓ includes at least 1,000 completed calls with at least one call made within the 60 days prior to an election where the candidate(s) named in the survey seeks City elective office or a recall election regarding the City elective officer named in the survey

**AND**  
S.F. C&GC Code § 1.160.5

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There is a very technical definition of persuasion polls that can be found in the candidate's guide. Very briefly, a persuasion poll is a telephone survey that refers to a clearly identified candidate for City elective office and includes at least 1,000 calls with one completed at least within 60 days before the election. A persuasion poll must also meet at least two of the requirements listed on the next slide.

### Persuasion Polls: Definition (cont.)

AND If you check a minimum of 2:

- ✓ each phone conversation takes less than four minutes on average to complete (excluding any sponsorship identification)
- ✓ includes fewer than three demographic inquiries regarding factors consistent with standard polling industry practices
- ✓ the persons conducting the survey do not collect or tabulate survey results for all the phone conversations
- ✓ the survey includes an untrue statement about the candidate or officer described in section 1.160.5(a)(1)(A);  
or
- ✓ the survey is designed or intentionally conducted in a manner calculated to influence the vote of the call recipient in the election.

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These requirements are: each phone conversation takes less than four minutes; it includes fewer than 3 demographic inquiries; the persons conducting the survey do not collect or tabulate the results for all of the phone conversations; the survey contains an untrue statement about the candidate or officer; or the survey is designed or conducted in such a way as to intentionally influence the vote of the call.

### Persuasion Polls: Filing

Any person who authorizes, administers or makes payment for a persuasion poll must:

- file *Form SFEC-160.5* with the Ethics Commission
- within 48 hours of the date of each of the following:
  - the date that a written formal agreement regarding the persuasion poll is made between the person making the calls and the poll sponsor(s) or the sponsor(s)' agent
  - the date of the 1000<sup>th</sup> call in the poll; and
  - the date of each 1000<sup>th</sup> additional call in the poll.

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If you authorize, administer, or pay for a persuasion poll, you must file form SFEC-160.5 with the Ethics Commission within 48 hours of each of the dates described on the slide.

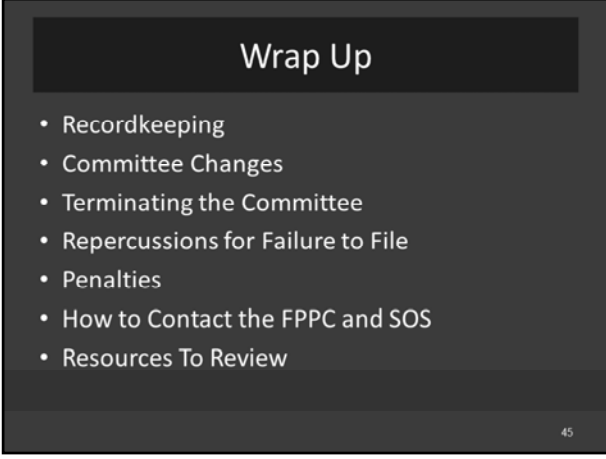
**Persuasion Polls: Disclosure**

At the beginning of each call made:

- identify the person funding, sponsoring or authorizing the call by stating "This is a paid political advertisement by [Name of person(s)]"  
and
- identify the name of the person making the call if different from the name of the sponsor, by stating "This call is conducted by [Name of person]."
- must be spoken at the same volume and speed as the rest of the communication so as to be clearly audible for the call recipient and otherwise appropriately conveyed for the hearing impaired.
- must be repeated upon request by the call recipient.

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For a persuasion poll you must ensure that the calls include all disclosure requirements. You must identify the person funding the call and the person making the call if this person is different from the person paying for the call.



Wrap Up

- Recordkeeping
- Committee Changes
- Terminating the Committee
- Repercussions for Failure to File
- Penalties
- How to Contact the FPPC and SOS
- Resources To Review

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This section explains what you should do when making changes to your committee or terminating your committee. It also includes information about recordkeeping, late filing fees and resources.

San Francisco Ethics Commission's  
 Training for Candidates for City Elective  
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**Recordkeeping**

Retain for 4 years for audits

Contributions	Expenditures	Other
<ul style="list-style-type: none"> <li>•Copies of contribution checks</li> <li>•Deposit slips</li> <li>•Deposit receipts</li> </ul>	<ul style="list-style-type: none"> <li>•Invoices</li> <li>•Receipts</li> <li>•Payment authorizations</li> <li>•Cancelled checks</li> </ul>	<ul style="list-style-type: none"> <li>•Check register</li> <li>•Bank statements</li> <li>•Filed campaign statements</li> <li>•Any other relevant documents</li> <li>•All correspondence</li> </ul>

**Live or Recorded Telephone Calls**

- A record of the number of distributed calls for each message
- Transcript of the message and
- A copy of the recording if the message was recorded

S.F. C&GC Code § 1.163 & Gov't Code § 84310

**Mass Mailings**

- Samples of all mailings
- Date mailing was sent
- Number of pieces sent
- Method of postage used
- Invoices relating to costs associated with mailing

2 Cal Code of Regs. § 18401

Gov't Code § 84104 46

You must keep all your campaign records for four years. You will need to provide them in the event that your campaign is audited.

**Committee Changes**

When your committee changes any of the following:

▪ Committee name	▪ Principal officers
▪ Committee purpose	▪ Committee contact information
▪ Qualification date	▪ Any other information required on Form 410
▪ Treasurers	
▪ Campaign Bank Account	

File an amending Statement of Organization (Form 410) within 10 days of any change

**DUE WITHIN 24 HOURS** during the 16-day period immediately preceding an election.

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You first file Form 410 Statement of Organization when you form a committee. You need to amend your Form 410 if you make a change to your committee name, purpose, treasurer or any contact information. Form 410 is also used to terminate your committee.

### Termination of Committee

- File a termination Statement of Organization (Form 410)
- Provide the date of termination

To Terminate You Must Have:

- Zero cash balance
- No more contributions or expenditures
- Paid all debt

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Once the election is over, it is important to remember that your filing obligations do not automatically end. Until you terminate your committee you need to continue to file campaign statements.

If you don't expect to receive anymore contributions or make anymore expenditures you should terminate your committee. In order to terminate your committee you need to have a zero cash balance in your campaign bank account and have paid all your debt.

To terminate your committee, you file Form 410, checking the box that says termination statement. You also file a Form 460 termination statement indicating that you have a zero cash balance in your bank account.



**Repercussions for Failure to File**

Remember! Candidates and Treasurers may be held personally liable for fees and/or penalties!

**Late fees**

- ✓ Paper filing: \$10 per day fee (per report). Capped at \$100 or cumulative amount stated in report, whichever is greater.
- ✓ Electronic filing: \$25 per day fee (per report). Capped at \$250 or cumulative amount stated in report, whichever is greater.

**Not Qualify for the Ballot**

The Director of Elections will not issue any certificate of nomination or election for any candidate until all of the candidate's campaign declarations, statements or reports have been filed.

Filer names are posted to the Commission's website for failure to file campaign statements and/or pay late fees.


Filers are referred to collections for failure to pay late fees.

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There are repercussions for failure to file on time. For paper statements there is a \$10 per day late fee and for electronic statements a \$25 per day late fee. These fees can add up very quickly so if you have any questions about your committee's filing obligations please call the Ethics Commission so that we may guide you in meeting your filing obligations.

Also keep in mind that if you don't submit your required campaign statements the director of the department of elections will not issue a certificate of nomination or election until you have filed all of your campaign statements.

Filers who do not file required campaign statements or pay late fees are posted to the Commission's website. In addition, filers who do not pay their late fees, may be referred to the Tax Collector's office for collection.

**Penalties** 

Criminal  
➤ \$5,000 per violation or 6 months imprisonment in County jail, or both.

Civil  
➤ \$5,000 for each violation, or 3x the amount not reported or amount received or spent in excess of the limits.

Administrative  
➤ \$5,000 per violation, or 3x amount not reported or received or spent in excess of limits.

S.F. C&GC Code § 1.170 50

Local law also provides for penalties – civil, criminal and administrative – when you violate laws so please be sure to familiarize yourself with campaign finance reporting and disclosure requirements including knowing which campaign contributions and expenditures are allowed and which are not. Call the Ethics Commission when you have questions about the law.

**Resources to Review**

- FPPC Campaign Disclosure Manual 2
- SFEC's Candidates' Guide for City Elective Office
- Forms include instructions
- Training on how to use the Commission's electronic filing system
- **Candidates for the Board of Supervisors or Mayor should also review the Supplemental Guides**

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Be sure to review all of the resources listed on the slide. The FPPC campaign disclosure manual provides detailed instructions on filing campaign disclosure forms and also has a very good section on recordkeeping. The Ethics Commission's candidates guide provides information on local law as well as filing deadlines.

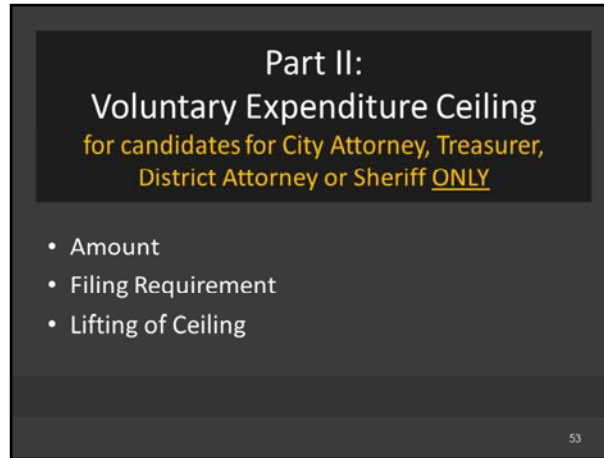
**How to Contact the FPPC or SOS**

Fair Political Practices Commission ("FPPC"):  
[www.fppc.ca.gov](http://www.fppc.ca.gov)  
1-866-ASK-FPPC  
For technical advice

Secretary of State-Political Reform Division:  
[www.ss.ca.gov](http://www.ss.ca.gov)  
For committee identification numbers and  
termination of committees

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Here is the contact information for the FPPC and the Secretary of State's office. The FPPC or Fair Political Practices Commission is the campaign finance regulatory agency at the state level. While the FPPC can give you advice on state law the FPPC will not provide advice on local law. Thus, you should contact the S.F. Ethics Commission with any questions that you may have. All FPPC forms can be downloaded from the FPPC website or obtained from the Ethics Commission office.



This section is about the Voluntary Expenditure Ceiling. The Voluntary Expenditure Ceiling does not apply to candidates for the Board of Supervisors or Mayor. It applies to candidates for City Attorney, Treasurer, District Attorney or Sheriff. Candidates for the Board of Supervisors or Mayor should proceed to Parts III and IV of this training.

**Voluntary Expenditure Ceiling (VEC)**

The VEC amount is

- \$243,000 for candidates running for City Attorney, Treasurer, District Attorney or Sheriff

To accept the VEC, a candidate must:

- File *Form SFEC-128* to accept the VEC,
- No later than the deadline to file nomination papers which is August 7, 2015 at 5PM
- ❖ Once filed, this form may not be withdrawn.
- ❖ The SFEC-128 may not be filed if the Ethics Commission has lifted the VEC.

S.F. C&GC Code § 1.128 & 1.130

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The Voluntary Expenditure Ceiling for candidates running for City Attorney, Treasurer, District Attorney or Sheriff is \$243,000. To accept the Voluntary Expenditure Ceiling, a candidate must file the Form SFEC-128. This form is due no later than August 7, 2015. Once filed, the SFEC-128 may not be withdrawn. Also the SFEC-128 may not be filed if the Ethics Commission has lifted the Voluntary Expenditure Ceiling.

The Ethics Commission's website provides information on whether the Voluntary Expenditure Ceiling is in place or has been lifted. The website also lists names of candidates who have accepted the Voluntary Expenditure Ceiling.

### Voluntary Expenditure Ceiling




Any candidate who accepts the ceiling and makes expenditures in excess of the ceiling when the ceiling has not been lifted is subject to penalties.

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Candidates who accept the ceiling and spend beyond the amount of the ceiling at a time when the ceiling is still in place will be in violation of the law.

What does it mean to “lift” the VEC?

The expenditure ceiling is no longer binding on any candidate seeking election to the same City elective office.



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When the Ethics Commission lifts the ceiling, the ceiling is no longer binding on any candidate seeking election to that office; that includes candidates who initially agreed to abide by the ceiling.



### When is the Voluntary Expenditure Ceiling Lifted?

The VEC is lifted when a candidate who does not accept the VEC receives contributions or makes qualified campaign expenditures totaling more than the amount of the applicable expenditure ceiling.

If at least one candidate in a race has accepted the VEC and the EC has not lifted the VEC, all candidates must:

- file *Form SFEC-134(b)*
- within 24 hours of receiving contributions, making expenditures or having funds that exceed the amount of the ceiling.

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The Voluntary Expenditure Ceiling is lifted if a candidate who does not accept the ceiling receives contributions or makes expenditures of more than the amount of the expenditure ceiling.

If at least one candidate in a race has accepted the Voluntary Expenditure Ceiling and the Ethics Commission has not lifted the Voluntary Expenditure Ceiling, all candidates in such race must notify the Ethics Commission by filing the Form SFEC-134(b) within 24 hours of receiving contributions, making expenditures or having funds that exceed the amount of the ceiling.

When the Ethics Commission receives such notification, it will lift the ceiling for every candidate in that race.

### Lifting of Voluntary Expenditure Ceiling

The VEC may also be lifted when any person (or persons) makes expenditures or payments, or incurs expenses for the purpose of making independent expenditures, electioneering communications or member communications that clearly identify a candidate totaling more than the amount of the applicable expenditure ceiling.

Such persons must report their expenditures to the Ethics Commission each time they spend \$5,000 or more per candidate for City elective office.


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The other scenario in which the Ethics Commission can lift the expenditure ceiling is when third party expenditures in the aggregate exceed the amount of the voluntary expenditure ceiling relating to any candidate running for office in a particular race. Such spending by a third party needs to be reported to the Ethics Commission each time \$5,000 or more per candidate is made.

San Francisco Ethics Commission's  
Training for Candidates for City Elective  
Office in the November 3, 2015 Election

**Proof of Attendance**

This training satisfies the training requirement under local law for Candidates and their Treasurers.



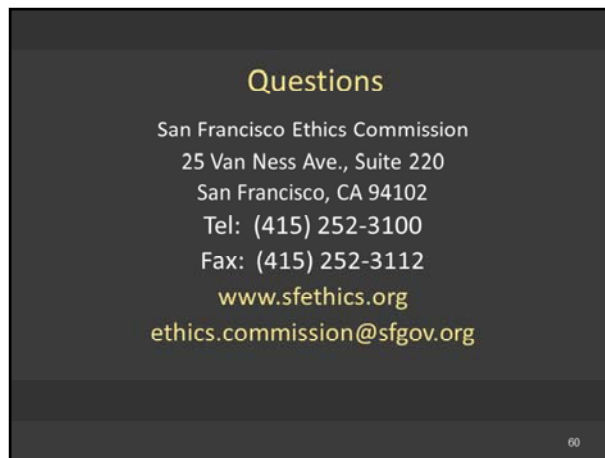
Candidates for the Board of Supervisors or Mayor: Proceed to Parts III and IV of this training.

Remember to fill out form SFEC-107 and submit it to the Ethics Commission via mail, fax, or in person.

S.F. C&GC Code § 1.107 59

Local law requires that every candidate and treasurer attend a training. If you are a candidate for City Attorney, Treasurer, District Attorney or Sheriff you have satisfied this training requirement. Please remember to submit Form SFEC-107 to the Ethics Commission via email, fax, or mail so that you may receive credit for completing this required training.

Candidates for the Board of Supervisors or Mayor should proceed to Parts III and IV of this training.



If you are unclear about any filing requirements or have any follow-up questions please contact the Ethics Commission staff.

**Part III: Requirements that Apply  
to all Candidates for the Board of  
Supervisors or Mayor**

- Statement of Participation or Non-  
Participation (Form SFEC-142a)
- Threshold Form (Forms SFEC-152a-1,  
SFEC-152b-1, 152a-2 and 152b-2)

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Part III discusses filing requirements that apply to all candidates for the Board of Supervisors or Mayor.

**Statement of Participation or Non-  
Participation (Form SFEC-142a)**

All candidates for the Board of Supervisors or Mayor must file *Statement of Participation or Non-Participation in the Public Financing Program (Form SFEC-142a)*,

- with the Ethics Commission
- no later than June 9, 2015 at 5PM
- indicating whether the candidate intends to participate or not participate in the public financing program.

S.F. C&GC Code § 1.142(a) 62

All candidates for the Board of Supervisors or Mayor must file a Statement of Participation or Non-Participation indicating whether they intend to participate in the public financing program. This statement must be filed no later than June 9, 2015.

In order to be able to qualify for public funding, a candidate must submit this form by June 9 indicating an intent to participate. The mere filing of this form indicating an intent does not automatically qualify a candidate to receive public funds. The candidate must submit a Qualifying Request to establish eligibility. The eligibility criteria are discussed in the last part of this training.

**Threshold Form:  
File Upon Reaching Initial Threshold Amount  
(Form SFEC-152a-1 or 152b-1)**

All candidates for the Board of Supervisors or Mayor must file the initial Threshold form:

- with the Ethics Commission
- within 24 hours of receiving contributions or making expenditures,
- that equal or exceed **\$10,000 for Board of Supervisors candidates** or **\$50,000 for candidates for Mayor.**

S.F. C&GC Code §§ 1.152(a)(1) and 1.152(b)(1) 63

Candidates for the Board of Supervisors or Mayor must file the Threshold form within 24 hours of when their contributions or expenditures reach the initial threshold amount. The initial threshold amount is \$10,000 for supervisorial candidates and \$50,000 for mayoral candidates.

If at least one candidate is certified as eligible to receive public funds, each candidate for the same office (each district is a separate office) must file the **Threshold form** to report reaching subsequent thresholds (*Form SFEC-152a-2 or 152b-2*)

1. Within 24 hours of receiving contributions or making expenditures that equal or exceed \$100,000 (supervisory candidates) or \$1,000,000 (mayoral candidates); and
2. Thereafter, within 24 hours of every time that the candidate receives additional contributions or makes additional expenditures that equal or exceed \$10,000 (supervisory candidates) or \$50,000 (mayoral candidates).

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If the Ethics Commission has certified that at least one candidate is eligible to receive public funds, all candidates running for the same office must file the Threshold Form upon reaching subsequent thresholds.

A candidate for the Board of Supervisors is required to file this form within 24 hours of receiving contributions or making expenditures that equal or exceed \$100,000. Thereafter, such supervisory candidate must file this form within 24 hours of every time the candidate receives or spends an additional \$10,000.

A candidate for Mayor is required to file this form within 24 hours of receiving contributions or making expenditures that equal or exceed \$1,000,000. Thereafter, such mayoral candidate must file this form within 24 hours of every time the candidate receives or spends an additional \$50,000.



How do you know when the Ethics Commission  
has certified a candidate as eligible to receive  
public funds?

- The Ethics Commission will post the information to its website, issue a press release, and notify all other candidates running for the same office.
- In addition, the Ethics Commission will notify any person who requests to receive such notification.

How can you request to receive notification from the  
Ethics Commission?


- Use *Form SFEC-152(c)* to give the Ethics Commission your contact information such as your email address.

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When the Ethics Commission certifies a candidate as eligible to receive public funds, the Commission will post this information on its website, issue a press release, and send a written notice by regular mail or email to all other candidates running for the same office. The Commission will also notify any other person who has requested to receive such notification.

**Part IV:**  
**Overview of Limited Public Financing Program for  
Candidates for the Board of Supervisors or Mayor**

- Requirements for eligibility to receive public funds
- Qualification threshold and timeframe
- Certification
- Public funds after certification stage
- Formula for disbursement of public funds
- Individual Expenditure Ceiling
- Campaign Contribution Trust Account
- Campaign Contingency Account
- After the election
- Unexpended Funds




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The fourth part of this presentation is about the Public Financing Program. The program provides funding for eligible supervisory candidates of up to \$155,000 to non-incumbent candidates or \$152,500 to incumbent candidates. The program provides funding for eligible mayoral candidates of up to \$975,000 to non-incumbent candidates or \$962,500 to incumbent candidates.

This part of the workshop explains how a candidate can qualify for public financing and it explains various aspects of the program, such as individual expenditure ceilings.

**Review**

- ❑ Read the specific rules for publicly funded candidates.
  - FPPC Manual 2
  - Candidates' Guide to City Elective Office
  - Supplement for Candidates for the Board of Supervisors or Supplement for Candidates for Mayor
  - Call the Ethics Commission for guidance



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There are a number of requirements that a candidate must meet in order to qualify for public financing. These requirements are also listed in the Supplemental Guide for Candidates for the Board of Supervisors and the Supplemental Guide for Candidates for Mayor.

**12 Things You Must Do  
to Qualify for Public Financing**

- 1. Seek election to the Board of Supervisors or Mayor & be eligible to hold office if elected.
- 2. File a Statement of Participation or Non-Participation or Form SFEC-142a, indicating your intent to participate (must be filed no later than 6/9/15).

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In order to receive public funds, a candidate must be running for the Board of Supervisors or Mayor and must be eligible to hold the office if elected. Requirements to qualify for public funds include the candidate's obligation to file forms. All candidates for the Board of Supervisors or Mayor must file a Statement of Participation or Non-Participation no later than June 9, 2015. Candidates who seek public financing must indicate on this form that they intend to participate.

**12 Things You Must Do  
to Qualify for Public Financing**

3. Submit Qualifying Request no later than 8/25/15 with supporting documents to show qualifying contributions of:

Supervisory Candidates	Non-incumbent	Incumbent
Qualifying Contributions	\$10,000	\$15,000
From # of S.F. Residents	100	150

Mayoral Candidates	Non-incumbent	Incumbent
Qualifying Contributions	\$50,000	\$75,000
From # of S.F. Residents	500	750

- File a Qualifying Request form
- File a Qualifying Contributions List (Required in electronic form) &
- Provide supporting documentation (grouped by deposit batches)

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Before you submit your Qualifying Request, you must raise the required amount of qualifying contributions.

A supervisory candidate must demonstrate that he or she has raised at least \$10,000 in qualifying contributions from at least 100 individuals in the City. An incumbent Supervisor must show \$15,000 in qualifying contributions from 150 residents.


A mayoral candidate must demonstrate that he or she has raised at least \$50,000 in qualifying contributions from at least 500 individuals in the City. An incumbent Mayor must show \$75,000 in qualifying contributions from 750 residents.

The Qualifying Request and the accompanying excel spreadsheet, are due anytime from February 3 through August 25, 2015. The excel spreadsheet, which is a list of all the qualifying contributions that a candidate submits to establish eligibility must also be submitted in electronic format, in other words as an attachment to an email. The Qualifying Request and spreadsheet are to be submitted along with the supporting documentation.

**Qualifying Contributions**

**A qualifying contribution is a contribution that is**

- Made by an individual who is a resident of San Francisco
- in an amount from \$10 to \$100
- NOT** a loan or an in-kind contribution
- NOT** received more than 18 months before the date of the election **(5/3/14)**
- Must be received before the 70<sup>th</sup> day before the election **(i.e., on or before Monday, 8/24/15)** AND
- NOT** made by the candidate or the candidate's immediate family




A qualifying contribution is a contribution that ranges in amount from \$10 to \$100. It can not be a loan or an in-kind contribution and it can not be made by the candidate or the candidate's immediate family. For the November 3, 2015 election, a qualifying contribution may not be received before May 3, 2014 or after Monday, August 24, 2015.

**12 Things You Must Do  
to Qualify for Public Financing**

4. **Bear the Burden of Proof!**

Each contribution you rely upon to establish eligibility must be:

- A qualifying contribution &
- Expenditures made with public funds must be used only for qualified campaign expenditures

A photograph showing a person's hands and arms as they look into an open filing cabinet. The cabinet is filled with papers and folders. The person is wearing a light-colored shirt and a watch.


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You must provide supporting documentation with your Qualifying Request to demonstrate that you have received the qualifying contributions. The supplemental guides provided detailed information about the documentation that is required.

In addition, you must be able to show that any public funds you receive are spent only on qualified campaign expenditures.

**12 Things You Must Do  
to Qualify for Public Financing**

- 5. be opposed by a candidate who has qualified for public financing or by a candidate who has received contributions or made expenditures that equal or exceed \$10,000 (supervisory candidates) or \$50,000 (mayoral candidates);
- 6. agree to participate in at least three debates with your opponents;




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In order to qualify to receive public funding, you must be opposed by a candidate who has qualified for public financing or who has received or spent \$10,000 if you are a supervisory candidate or \$50,000 if you are a mayoral candidate. You must also agree to participate in at least three debates with your opponents.



### 12 Things You Must Do to Qualify for Public Financing

- ❑ 7. Agree to limit spending on your campaign to no more than your individual expenditure ceiling, which starts at \$250,000 for a supervisorial candidate or \$1,475,000 for a mayoral candidate;
- ❑ 8. **NOT** accept any loans to your campaign from anyone except yourself, and not loan or donate more than \$5,000 of your own money to your campaign 

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You must limit your spending to an individual expenditure ceiling, which starts at \$250,000 for a supervisorial candidate or \$1,475,000 for a mayoral candidate. You must also agree not to accept loans from others and not to loan or donate more than \$5,000 of your own money.

### 12 Things You Must Do to Qualify for Public Financing

- 9. **NOT** make any payments to a contractor or vendor in return for the contractor or vendor making a campaign contribution to your committee; and not make more than a total of 50 payments to a contractor or vendor who has made a contribution to your committee;



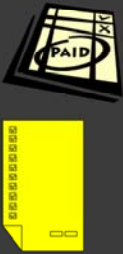
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You also may not make any payments to a contractor or vendor in return for the contractor or vendor making a campaign contribution to your committee. Also, you may not make more than 50 payments to a contractor or vendor who has made a contribution to your committee.

**12 Things You Must Do  
to Qualify for Public Financing**

- 10. Have paid any outstanding fines owed to the City by you or any of your campaign committees;
- 11. Have filed any outstanding statements, reports or forms owed to the City by you or any of your campaign committees;

AND



The slide features two icons: a 'PAID' stamp with a checkmark and a yellow sticky note with a red border and a small red tab at the bottom right.

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In order to receive public funds, you must have paid outstanding fines owed by you to the City, and must have filed any outstanding campaign statements.

**12 Things You Must Do  
to Qualify for Public Financing**

12. Have **NO** finding by a court or by the Ethics Commission within the past 5 years that you knowingly, willfully, or intentionally violated any provisions in the SF Campaign and Governmental Conduct Code or the campaign finance provisions of the Political Reform Act.



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You also may not have any finding by a court or by the Ethics Commission within the past five years that you violated campaign finance provisions of the Political Reform Act or any provisions in the SF Campaign and Governmental Conduct Code, which includes the Campaign Finance Reform Ordinance, the Lobbyist Ordinance, the Campaign Consultant Ordinance, and the City's conflict of interest laws.

### What Happens After You Qualify?

- ✓ You will receive notice of certification or non-certification.
- ✓ If certified, you will receive the initial grant amount of \$20,000 for a supervisorial candidate or \$100,000 for a mayoral candidate, (earliest possible disbursement date is June 15, 2015).



After the Ethics Commission reviews your application, you will receive a notice regarding your eligibility. If you are certified as eligible to receive public funds, you will receive a grant of \$20,000 if you are a candidate for the Board of Supervisors, or \$100,000 if you are a candidate for Mayor.

Can You Receive Additional Funds  
After the Initial Grant?

Yes, you may receive additional funds, depending on the amount of matching contributions you raise. You may begin to submit claims as soon as you have been certified. Funds are disbursed on a first-come, first-served basis.

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After certification, you can apply for additional public funds based on the amount of matching contributions you raise.

### Matching Contribution: Definition

A matching contribution is a monetary contribution that:

- is not a qualifying contribution, a loan or in-kind contribution
- is made by an individual who is a resident of San Francisco (other than the candidate or the candidate's immediate family)
- is not received more than 18 months before the November election

AND

- complies with all the requirements of the CFRO and its implementing regulations.

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A matching contribution is not a qualifying contribution, a loan or an in-kind contribution. It can not be made by the candidate or the candidate's immediate family. It may not be received before May 3, 2014. It is a contribution from an individual who resides in the City and it complies with all the requirements of the Campaign Finance Reform Ordinance. For example, it can not be a contribution that exceeds the \$500 contribution limit.

**How to Submit Claims for Matching Funds**

Submit:

- Matching Request form;
- Matching Contributions List (also required in electronic form); and
- Supporting Documentation

A candidate may not submit a claim for public funds if the candidate has any claims pending with the Ethics Commission.

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You can submit claims for matching contributions by filing a Matching Request form and an accompanying spreadsheet that lists the matching contributions along with supporting documentation. The claims may be submitted on a rolling basis; and you may not submit a claim for public funds if you have any claims pending with the Ethics Commission.



Formula for Disbursement of Public Funds: Non-Incumbent Supervisorial Candidates	
Candidate Raises (non-incumbent)	Election Campaign Fund Pays
\$10,000 in qualifying contributions from 100 contributors	\$20,000 (initial payment)
Up to \$50,000 in matching contributions	Up to \$100,000 (2 to 1 match)
Up to \$35,000 in matching contributions	Up to \$35,000 (1 to 1 match)
Total available to eligible candidate	Up to \$155,000

This table shows how public funds are disbursed to qualified non-incumbent candidates for the Board of Supervisors.

When a candidate is certified as eligible to receive public funds, he or she receives a \$20,000 payment. Thereafter, for the first \$50,000 in matching contributions that a candidate raises, he or she receives public funding at a 2 to 1 ratio for up to \$100,000 in public funds. At the next level contributions are matched at a 1 to 1 ratio for up to \$35,000 in public funds, making the total \$155,000.

Formula for Disbursement of Public Funds: Non-Incumbent Mayoral Candidates	
Candidate Raises (non-incumbent)	Election Campaign Fund Pays
\$50,000 in qualifying contributions from 500 contributors	\$100,000 (initial payment)
Up to \$425,000 in matching contributions	Up to \$850,000 (2 to 1 match)
Up to \$25,000 in matching contributions	Up to \$25,000 (1 to 1 match)
Total available to eligible candidate	Up to \$975,000

This table shows how public funds are disbursed to qualified non-incumbent candidates for Mayor.

When a candidate is certified as eligible to receive public funds, he or she receives a \$100,000 payment. Thereafter, for the first \$425,000 in matching contributions that a candidate raises, he or she receives public funding at a 2 to 1 ratio for up to \$850,000 in public funds. At the next level contributions are matched at a 1 to 1 ratio for up to \$25,000 in public funds, making the total \$975,000.

Formula for Disbursement of Public Funds: Incumbent Supervisorial Candidates	
Incumbent Candidate Raises	Election Campaign Fund Pays
Incumbents need \$15,000 in qualifying contributions from 150 contributors	\$20,000 (initial payment)
Up to \$50,000 in matching contributions	Up to \$100,000 (2 to 1 match)
Up to \$32,500 in matching contributions	Up to \$32,500 for incumbents (1 to 1 match)
Total available to eligible candidate	Up to \$152,500 for incumbents

This table shows how public funds are disbursed to qualified incumbent candidates for the Board of Supervisors.

When an incumbent candidate is certified as eligible to receive public funds, he or she receives a \$20,000 payment. Thereafter, for the first \$50,000 in matching contributions that a candidate raises, he or she receives public funding at a 2 to 1 ratio for up to \$100,000 in public funds. At the next level contributions are matched at a 1 to 1 ratio for up to \$32,500 in public funds, making the total \$152,500.

Formula for Disbursement of Public Funds: Incumbent Mayoral Candidates	
Incumbent Candidate Raises	Election Campaign Fund Pays
Incumbents need \$75,000 in qualifying contributions from 750 contributors	\$100,000 (initial payment)
Up to \$425,000 in matching contributions	Up to \$850,000 (2 to 1 match)
Up to \$12,500 in matching contributions	Up to \$12,500 for incumbents (1 to 1 match)
Total available to eligible candidate	Up to \$962,500 for incumbents

This table shows how public funds are disbursed to qualified incumbent candidates for Mayor.

When an incumbent candidate is certified as eligible to receive public funds, he or she receives a \$100,000 payment. Thereafter, for the first \$425,000 in matching contributions that a candidate raises, he or she receives public funding at a 2 to 1 ratio for up to \$850,000 in public funds. At the next level contributions are matched at a 1 to 1 ratio for up to \$12,500 in public funds, making the total \$962,500.


### Individual Expenditure Ceiling (IEC)

If you seek public funds:

- You must agree not to make expenditures in excess of your IEC, which starts at \$250,000 for candidates for the Board of Supervisors, or \$1,475,000 for candidates for Mayor.

The Ethics Commission will adjust your IEC to an amount that equals:

- Total opposition spending against you, plus
- The highest level of total supportive funds of any of your opponents.



The maximum amount of public funds you can receive is \$155,000/\$152,500 or \$975,000/\$962,500.

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If you seek public funds, you must not make expenditures that exceed the amount of your individual expenditure ceiling. Every publically funded candidate's expenditure ceiling begins at \$250,000 for supervisorial candidates or \$1,475,000 for mayoral candidates. If appropriate, your individual expenditure ceiling will be adjusted by the Ethics Commission to an amount that equals total opposition spending against you and the highest level of total supportive funds of any of your opponents.

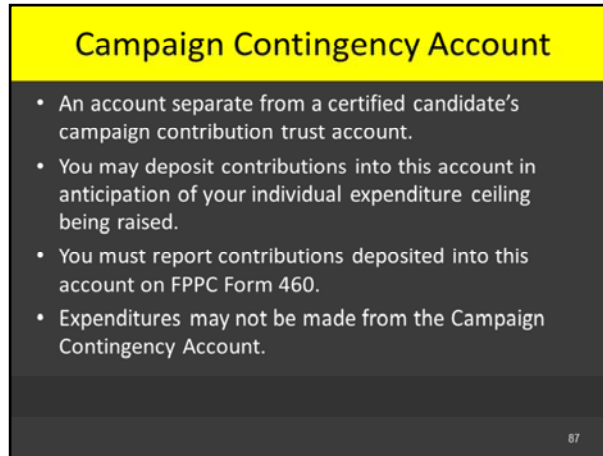
**Campaign Contribution Trust Account**

- This is your campaign bank account.
- All contributions must be deposited into and all expenditures must be made from this account.

**Trust Account Limit** = **Individual Expenditure Ceiling** - **Amount Spent**

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Your campaign bank account is called the campaign contribution trust account. All contributions must be deposited into and all expenditures must be made from this account. The amount of money that, if spent, would cause you to reach your Independent expenditure ceiling is called your Trust Account Limit. If you are publically funded, you are not allowed to have more than your Trust Account Limit in your trust account. For this reason, you have the option of opening a campaign contingency account.



### Campaign Contingency Account

- An account separate from a certified candidate's campaign contribution trust account.
- You may deposit contributions into this account in anticipation of your individual expenditure ceiling being raised.
- You must report contributions deposited into this account on FPPC Form 460.
- Expenditures may not be made from the Campaign Contingency Account.

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If you receive public funding you are not required to but may elect to open a campaign contingency account separate from your campaign contribution trust account. You may deposit contributions into this account in anticipation of your individual expenditure ceiling being raised.

As your expenditure ceiling is raised, you can transfer money from the Contingency Account to the Trust Account.

**Campaign Contingency Account: Disclosures**

If you open a Campaign Contingency Account:

- File *Form SFEC-108* within 10 days of opening the account.
- File *Form SFEC-108* and turn over all funds in the Campaign Contingency Account to the City within 10 days after the election or **Friday, 11/13/2015**.



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After the election, you must turn over all funds in the campaign contingency account to the City, up to the amount of the public funds you received.



### What You Do After the Election?

- All candidates certified as eligible to receive public funds will be audited.
- Return unexpended funds to the City.
- Turn over all funds in Campaign Contingency Account (use *Form SFEC-108*).



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All candidates who receive public funds are audited after the election. You must turn over funds that remain in the contingency account and any unexpended funds in the Trust Account, up to the amount of public funds you received.

### Unexpended Funds

- Funds remaining in account on the 30<sup>th</sup> day (December 3, 2015) after the date of the election.
  - Public funds and contributions received by this date but not yet deposited is added to the funds remaining on the 30<sup>th</sup> day.
  - Expenditures incurred for the election but not yet paid reduces the amounts of funds that remain.
  - Unexpended funds may be used only for allowable expenses such as cost of keeping bank account open for audit or preparation of campaign statements.
- Unexpended funds must be returned to the City (up to the amount of public funds received by the candidate).

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Specifically, unexpended funds are the funds that remain in your bank account on the 30<sup>th</sup> day after the election. The amount that remains on the 30<sup>th</sup> day is adjusted to account for allowable expenses that have not been paid yet or contributions that were received by the 30<sup>th</sup> day but not yet deposited. Unexpended funds must be returned to the City, up to the amount of public funds received by the candidate.

### Use of Public Funds

- Public funds may be used only for qualified campaign expenditures.
- Public funds may not be used to:
  - hold celebrations or events to celebrate a victory, to thank campaign volunteers or pay post-election bonuses;
  - pay for post-election advertising, announcements or notices;
  - pay administrative, civil, criminal or late filing fines; or
  - pay for inaugural or officeholder expenses.

Public funds may be used only to make qualified campaign expenditures. Public funds may not be used to hold celebrations, thank volunteers, pay bonuses, pay fines or pay for inaugural or officeholder expenses.

**Questions**

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Submit Form SFEC-107 to receive credit for this training.

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If you have any questions about the public financing program or if you have any other campaign finance questions, please contact the Ethics Commission staff. If you haven't already submitted your Form SFEC-107, please turn it in now so that you may receive credit for completing this required training. Thank you for your participation in this workshop!