

Recipient Committee Training for  
General Purpose and Primarily  
Formed Ballot Measure and  
Candidate Committees  
(excludes Candidate-Controlled Committees)

San Francisco Ethics Commission

Welcome to the Recipient Committee Training for Treasurers of general purpose committees, ballot measure committees, & primarily formed candidate committees.

The discussion of the campaign finance rules in this training is necessarily general. If you have specific questions regarding the rules or their application, please contact Ethics Commission staff at 415.252.3100, visit the commission's website at [www.sfethics.org](http://www.sfethics.org) or read the actual law or regulation that may be cited in the slide. In addition, for questions regarding state law, please contact the fair political practices commission at 1.866.ASK.FPPC. If there is a conflict between what is presented in this training and the law, the law governs.

## Agenda

- Responsibilities of Treasurer
- What are Recipient Committees?
- Filing Campaign Statements
- Contribution Rules
- Mass Mailing Rules
- Campaign Advertisement Rules
- Expenditures Relating to Candidates for City Elective Office
- Wrap Up

The topics covered by this training include the responsibilities of treasurers, the different types of recipient committees, the filing of campaign statements, and the contribution rules that you should to be familiar with as treasurers.

Also discussed in this training are mass mailings, campaign ad rules, expenditures relating to candidates for City elective office, recordkeeping, and how to eventually close down your committee.

### Responsibilities of Treasurers

1. Every committee must have a treasurer
  - a) Treasurer must attend required training if newly designated as treasurer
2. Establish a recordkeeping system.
  - a) Ensure that receipts and expenditures are recorded promptly.
3. Prepare campaign statements personally or carefully review campaign statements prepared by others.
4. Verify and sign campaign statements.
5. Submit statements on time to avoid late fees.
6. Comply with applicable laws: treasurers are personally liable for campaign finance violations of their committees.

Cal Code of Regs. § 18427  
S.F. C&GC § 1-170(g)

A vertical stack of four circular icons. The top icon shows a person at a computer. The second icon shows a document with a pencil. The third icon shows a document with a pencil. The bottom icon shows a yellow emoji with a wide-eyed, stressed expression, with a hand pointing to its mouth.

Every committee is required to have a treasurer.

The treasurer is responsible for:

- \* Keeping good records in order to prepare campaign statements accurately .
- \* Ensuring that all campaign statements are accurate and signed.
- \* Submitting all campaign statements on time and complying with all applicable laws.

### Principal Officer

A principal officer is an individual primarily responsible for approving the committee's political activities, including but not limited to the following:

- authorizing the content of the committee's communications, and
- authorizing expenditures and contributions.

Disclose names of principal officers on campaign reports.

Each primarily formed or general purpose committee that is not controlled by a candidate must identify in its Statement of Organization (Form 410) its principal officer or officers.

A principle officer is the individual primarily responsible for approving the committee's political activities, including but not limited to the following: authorizing the content of the committee's communications and authorizing expenditures as well as contributions.

Each committee must have at least one principal officer. If the treasurer is the only principal officer of a committee, he or she must be identified as both the treasurer and the principal officer on the statement of organization. A committee with three or fewer principal officers must identify all individuals.

**Recipient Committee: Definition**

Any person or combination of persons who **receives** contributions totaling **\$1,000 or more** in a calendar year.

What if you qualify as a recipient committee?

☐ **File a Statement of Organization (Form 410) within 10 days of qualifying\***

**\* DUE WITHIN 24 HOURS** during the **LATE REPORTING PERIOD** (16-day period immediately preceding an election).



A recipient committee is any person or group who receives contributions totaling \$1,000 or more. A recipient committee must file a statement of organization – FPPC Form 410 – within 10 days of qualifying as a committee.

Keep in mind that if any information reported on your statement of organization changes, you must amend your Form 410.

For example, a recipient committee whose status changes between general purpose and primarily formed or from one jurisdiction to another, must amend its Form 410 to reflect the change.



There are 3 types of recipient committees:

They are:

General purpose committees, which can be local or state committees

Ballot measure committees,

& primarily formed candidate committees.

### Is Your Committee a General Purpose or Primarily Formed Committee?

- A general purpose committee is formed to support or oppose more than one candidate or measure and is typically not formed for a particular election.
- A primarily formed committee is formed primarily to support or oppose a single candidate or measure, or a group of specific measures or candidates being voted upon in the same election.

Gov't Code §§ 82027.5 and 82047.5

General purpose committees typically are not formed for a particular election. They usually support various ballot measures and candidates over different elections. On the contrary, primarily formed committees are formed to support or oppose a single measure, a single candidate, a group of specific candidates, or two or more measures being voted upon in the same city, county, multicounty, or state election.

### Does it matter whether your committee is state or local?

Yes, your committee's jurisdictional status will govern where you file campaign statements.

- State committees file Form 460 with the SOS, LA Registrar of Voters and the S.F. Department of Election. (These committees file other forms with the S.F. Ethics Commission when they spend money on S.F. measures or candidates.)
- San Francisco committees file Form 460 (and other forms) with the Ethics Commission.

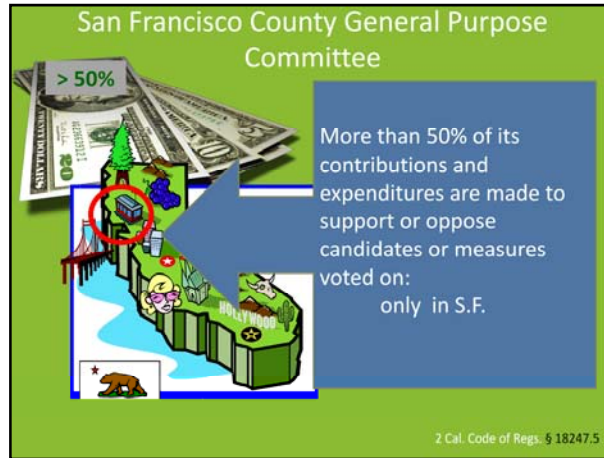
When jurisdictional status changes, file statements for the remainder of the calendar year with both the new and former filing officers.

State committees file their regular campaign statements, that is the Form 460, with the Secretary of State's Office, the Los Angeles Registrar of Voters and the San Francisco Department of Elections. When a State committee makes expenditures relating to a San Francisco measure or candidate, it must file special campaign reports with the San Francisco Ethics Commission.

San Francisco committees file their regular campaign statements with the Ethics Commission.

When a committee's jurisdictional status changes, that committee must file campaign statements for the remainder of the calendar year with both the new and former filing officers.

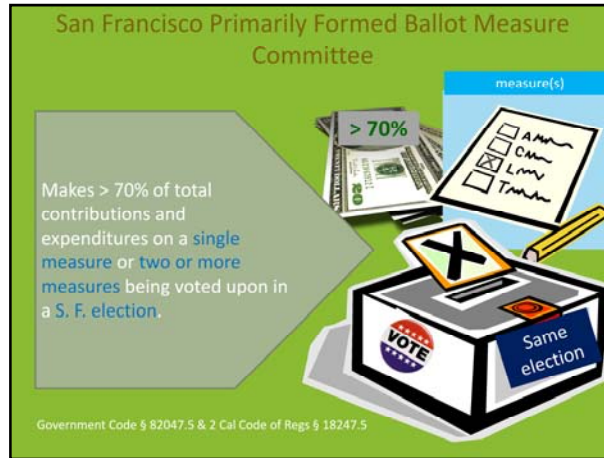




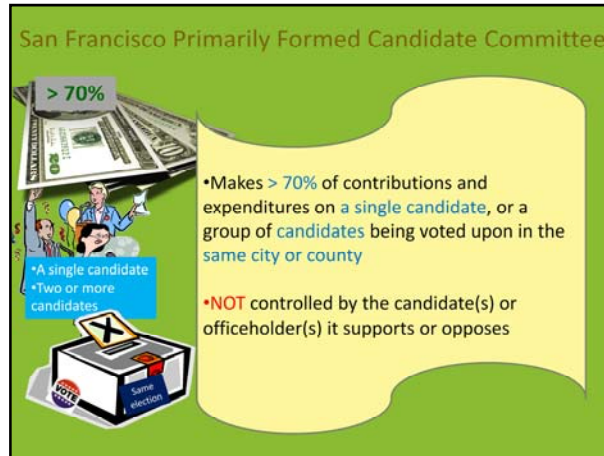
You are a county general purpose committee if more than 50% of your activity relates to county candidates or ballot measures. For example, if your committee spends more than 50% on candidates or ballot measures that appear on the San Francisco ballot, you are deemed a San Francisco county general purpose committee.



On the other hand, if more than 50% of your committee's contributions and expenditures relate to candidates or measures outside of San Francisco, you *may* be a state general purpose committee or a local general purpose committee of another jurisdiction.



You are considered to be a San Francisco ballot measure committee when you spend more than 70% of your funds relating to one or more measures being voted on in San Francisco.



The last type of recipient committee we cover in this training is a primarily formed candidate committee. A primarily formed candidate committee is a committee that is not controlled by a candidate and that spends more than 70% of its funds relating to one or more candidates.

Your committee is considered to be a San Francisco primarily formed candidate committee if it makes more than 70 percent of its contributions and expenditures for a single candidate, or a group of candidates being voted upon in the City.

Naming a Committee		
Committee Type	Naming Requirements	Fictitious Examples
Primarily formed ballot measure	<ul style="list-style-type: none"> <li>Indicate position (support/oppose)</li> <li>Ballot number/letter</li> <li>Clearly identify the economic / other special interest of major donors of \$50k or more (See FPPC Regulation 18450.3 for naming requirements)</li> </ul>	Vote Yes on Prop A
Sponsored	<ul style="list-style-type: none"> <li>Include sponsor's name</li> </ul>	SF Equal Action Committee, Sponsored by Bill Peters
Recall	<ul style="list-style-type: none"> <li>Include term "recall"</li> <li>Name of candidate subject to recall</li> <li>Whether the committee supports or opposes the recall</li> </ul>	Committee to Recall Supervisor Sally Smith
Primarily formed candidate	<ul style="list-style-type: none"> <li>Include candidate's last name</li> <li>Indicate position (support / oppose)</li> <li>Office sought and year of election</li> </ul>	Committee to Support Lee for Mayor 2011
2 Cal. Code of Regs. §§ 18402 & 18450.3		

Now that I've covered the types of non-candidate recipient committees, I'm going to talk a bit about naming a committee.

When naming a committee it is important to remember that there are certain requirements that need to be met.

In general, a committee name should include:

- the name of the candidate or ballot measure,
- the position that is being supported or opposed, and
- the committee's name should identify it's sponsor or the economic or special interest of donors who contribute \$50,000 or more.

This chart summarizes the naming requirements of various types of committees.

### Filing Campaign Statements

- Who Files FPPC Form 460?
- FPPC Filing Schedule for Form 460
- Independent Expenditures
- Form 465
- Form 495
- Forms 497 & 496
- When are FPPC Forms 465, 495, 497, and 496 due?
- Electronic Filing

In the next section I will discuss various FPPC forms.

Generally, these campaign disclosure forms require you to disclose contribution and/or expenditure activities during specific time periods and deadlines.

Who Files FPPC Form 460?		
Statement	Period Covered	Which Committee Files
Semi-annual statements	Covers the period through 6/30 or 12/31 of any year.	•All committees
Pre-election Statements	<p>Odd-numbered years: covers through the 45<sup>th</sup> or the 17<sup>th</sup> day before the election.</p> <p>Even-numbered years: See FPPC filing schedule.</p>	<p>•Primarily formed committees</p> <p>•S.F. general purpose committees that make contributions or any expenditures totaling \$500 or more during the pre-election period</p>

All committees must file semi-annual statements, which cover the periods ending June 30<sup>th</sup> and December 31<sup>st</sup>.

In addition to filing semi-annual statements, some committees must file pre-election reports. For example, a committee formed to support a specific ballot measure or candidate in an election must file pre-election statements before that election.

A general purpose committee that makes contributions or any expenditures of \$500 or more during the pre-election reporting period must also file pre-election statements. Pre-election statements generally cover activities through the 45<sup>th</sup> and the 17<sup>th</sup> days before the election. In addition, there are reports due during the 16-day late reporting period that I will discuss later.

Note that if, after filing reports with a local filing officer, a local committee becomes a state committee, or vice versa, the committee must continue filing reports with the original filing officer as well as the new filing officer through the end of the calendar year.

Who Files FPPC Form 460? (cont.)		
Statement	Period Covered	Which Committee Files
Quarterly statements	Covers the period through 3/31 or 9/30 of any 6 month period in which the measure has not yet been placed on the ballot.	•Ballot measure committees
Statements required during the signature gathering period	On the 5 <sup>th</sup> and 20 <sup>th</sup> days of each month for the periods ending on the last day and 15 <sup>th</sup> day, respectively, of each month.	•All committees that raise or spend money to support or oppose a recall, initiative or a referendum petition during the periods in which signatures are gathered. Depending on whether the committee is a proponent, Form 465 may apply.

Ballot measure committees file quarterly statements during periods in which the measure has not yet been placed on the ballot.

For example, a committee must file quarterly statements during the 1<sup>st</sup> half of the year if it is formed to get something on the ballot for the second half of the year.

If the measure qualifies for the ballot, the committee must file pre-election in addition to semi-annual statements for the 2<sup>nd</sup> half of the year when the ballot measure is being voted on.

Any committee that makes expenditures during the period in which signatures are gathered to support or oppose an initiative, recall or referendum petition, must also file campaign statements during the signature gathering period. During signature gathering periods, statements are due on the 5<sup>th</sup> and 20<sup>th</sup> day of each month for the periods ending on the last day and 15<sup>th</sup> day, respectively.



FPPC Filing Schedule for Form 460 November 2, 2010 Election		
Deadline	Period	Form
Apr 30, 2010 <i>Quarterly</i>	1/1/10 - 3/31/10	<a href="#">460</a>
Aug 2, 2010 <i>Semi-Annual</i>	See below - 6/30/10	<a href="#">460</a>
Oct 5, 2010 <i>Pre-Election</i>	7/1/10 - 9/30/10	<a href="#">460</a>
Oct 21, 2010 <i>Pre-Election</i>	10/1/10 - 10/16/10	<a href="#">460</a>
Within 24 Hours <i>Late Reports</i>	10/17/10 - 11/1/10	<a href="#">496</a> <a href="#">497</a>
Jan 31, 2011 <i>Semi-Annual</i>	10/17/10 - 12/31/10	<a href="#">460</a>

This filing schedule shows semi-annual and pre-election filing deadlines for the November 2, 2010 election.

Payments for communications that support or oppose a ballot measure or candidate, which are not made in coordination with the affected ballot measure committee or candidate.

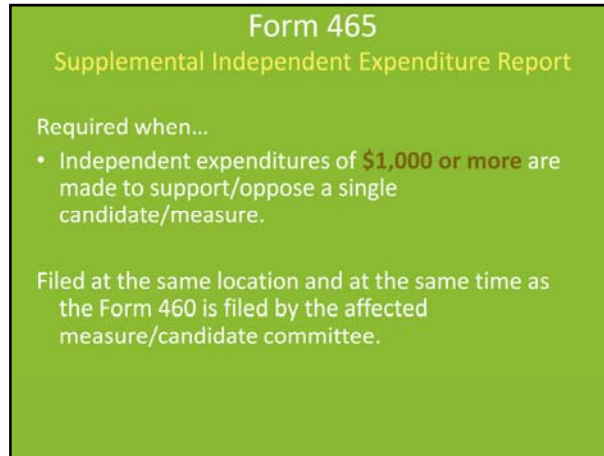


Form 465	Form 465	Form 465
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\*Special reports are required when independent expenditures are made.

When you make independent expenditures, certain reports need to be filed such as forms 465, 496, as well as other 24-hour notices, which I will discuss when I talk about the Third Party Disclosure Form.

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Form 465  
Supplemental Independent Expenditure Report

Required when...

- Independent expenditures of **\$1,000 or more** are made to support/oppose a single candidate/measure.

Filed at the same location and at the same time as the Form 460 is filed by the affected measure/candidate committee.

First we'll talk about the Form 465.

If your committee makes independent expenditures of \$1,000 or more to support or oppose a single candidate or ballot measure, you must file a Supplemental Independent Expenditure Report or a Form 465.

For example, the West Street Theatre made two independent expenditures, each for \$5,000, to oppose a candidate for the Board of Supervisors. The first independent expenditure was made during the first pre-election reporting period; the second independent expenditure was made five days before the election. The Theatre must file Form 465 for the first pre-election period by September 30, 2010 and again at the semi-annual filing deadline following the election.

Remember! The Theater must also file Form 496 within 24 hours of the independent expenditure that it made five days before the election. I'll talk more about Form 496 in the next slides.

**Form 495**  
(Rarely used because  
most committees file pre-election reports)

Required when...

- Committee makes contributions totaling **\$10,000 or more**,
- During the period beginning six months prior to the election and ending 17 days before the election,  
and
- Committee is not required to file regular pre-election reports for the election

☐ Filed as an attachment to the committee's regular campaign statement.

☐ Due no later than 12 days before the election.

Form 495 is required when a committee that is not required to file a pre-election statement makes \$10,000 or more in contributions by the 17<sup>th</sup> day before an election. Form 495 is rarely used because most committees file pre-election reports.

**Forms 497 & 496**

File Form 497 and/or Form 496 **within 24 hours** if

- Late contributions /independent expenditures of \$1,000 or more
  - Are made or received during the late reporting period
  - Related to candidates / measures being voted upon in the election.
- Late contribution = a contribution that totals \$1,000 or more that is made to or received by a candidate or ballot measure committee during the late reporting period.
- Late independent expenditure = an independent expenditure that totals \$1,000 or more and is made during the late reporting period for or against any specific candidate or measure.

**DUE WITHIN 24 HOURS** during the **LATE REPORTING PERIOD** (16-day period immediately preceding an election).

**Must also be filed electronically!**

The late reporting period is the 16-day period immediately preceding an election.

During this period special reports may be required.

Form 497 is required to be filed when you make contributions totaling \$1,000 or more to a single candidate or primarily formed ballot measure committee during the late reporting period. Remember that Form 497 must be filed within 24 hours of making the contribution.

Primarily formed ballot measure and candidate committees also have to file Form 497 when they receive contributions totaling \$1,000 or more from any person during the late reporting period.

For example, fourteen days before the November election, someone makes a \$20,000 contribution to Yes on Measure G. The contributor must file Form 497 within 24 hours of making the contribution while the Yes on Measure G committee must also report the receipt of a late contribution. Yes on Measure G Committee must also provide notice to the contributor. We will discuss major donor notification in greater detail later.

Form 496 must be filed if your committee makes independent expenditures of \$1,000 or more to support or oppose a single candidate or measure during the 16-day period before the election. The form 496 is required to be filed within 24 hours of making the independent expenditure.

Whenever your committee files a form 496 or 497, you also have to file it in electronic format if your committee files electronically.

### When are FPPC Forms 465, 495, 497, and 496, Due?

Statement	When to File?	Due Date(s)
Form 465	when making individual expenditures of \$1,000 or more for a single candidate or measure	<u>Same time as Form 460</u> filed by affected candidate or ballot measure committee
Form 495	when making a total of \$10,000 or more contributions in connection with an election for which the committee is not required to file pre-election statements	<u>No later than 12 days before the election</u>
Form 496	when making late independent expenditures	<u>Within 24 hours</u>
Form 497	when receiving/making late contributions of \$1,000 or more in a late period	<u>Within 24 hours</u>

This slide summarizes the filing deadlines for the forms we just reviewed.

You file a Form 465 the same time the affected ballot measure or candidate committee files its Form 460 .

The Form 495 is due no later than 12 days before the election.

The FPPC Forms 496 and 497 are due within 24 hours of the relevant activity.

**Electronic Filing of Campaign Statements**

Required when committee receives contributions or makes expenditures  $\geq$  \$5,000 in a calendar year.



**Did You Know?**  
Once you file electronically, you must continue to do so for the life of the committee

Software options

- SFEDS (no charge; provided by SFEC)
- Approved private software vendor

S.F. C&GC Code § 1.112

How do you know if you have to file electronically?

The electronic filing of Form 460 is required when a committee receives contributions or makes expenditures of \$5,000 or more in a calendar year. Other forms that are filed by recipient committees and that are subject to electronic filing are FPPC Forms 465, 497, and 496.

The San Francisco Ethics Commission provides software called the San Francisco Electronic Disclosure System or SFEDS.

While the Ethics Commission provides software free of charge, it is not designed for large quantities of complex transactions. Larger committees with a lot of transactions may wish to consider a private vendor that may offer a complete accounting package that might aid in managing more complex entries.

Remember that once you file electronically, you must continue to do so for the life of the committee.

### Which FPPC forms must you electronically file?

- Form 460
- Form 465
- Form 496
- Form 497

Remember to also file paper reports!

This slide shows a list of FPPC forms that must be filed electronically by recipient committees. If you qualify to file electronic statements, you must file Forms 460, 465, 496 and 497 in electronic format. You must continue to also file these forms in paper format. There is a separate per day late fee for paper and electronic statements.



## Contribution Rules

- Contribution Limits (enjoined)
- Aggregation of Contributions
- Cash Contributions
- Contributor Information
- Forfeiture of Contributions
- Rules for Return of Contributions
- Notice to Contributors of  $\geq$  \$5,000

In the next section, we will review contribution rules.

**Contribution Limits**

**Sections 1.114(c)(1) and 1.114(c)(2):**

- Contribution limit of **\$500 per person**, per calendar year to a committee that makes expenditures to support or oppose a candidate for City elective office.
- **Overall limit of \$3,000** per year to all such committees that make expenditures to support or oppose a candidate for City elective office.

**\*\*The court has enjoined enforcement of Section 1.114(c). \*\***

S.F. C&GC Code § 1.114(c)(1) and 1.114(c)(2)

Section 1.114(c) of the San Francisco Campaign Finance Reform Ordinance places a \$500 contribution limit on committees that make expenditures to support or oppose a candidate for City elective office.

The court has enjoined enforcement of section 1.114(c) so the Ethics Commission is NOT enforcing section 1.114(c) at this time.

### Aggregation of Contributions

- Contributions from affiliated entities must be aggregated.
  - i.e., \$500 from J. Campbell + \$500 from J. Campbell Pottery = \$1,000 cumulative.
- This means that 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 decisions to make contributions.

S.F. C&GC Code § 1.114(d)

Contributions from affiliated entities must be aggregated for filing and reporting purposes.

For example, your ballot measure committee receives a \$500 contribution from J. Campbell and \$500 from Campbell Pottery during the late reporting period. You need to file a Form 497 because the two contributions came from affiliated entities, which means that your committee has received a \$1,000 contribution, which triggers the filing of the Form 497.

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

- ☐ Deposit into the campaign bank account before making expenditures
- ☐ Cash contributors should fill out and sign a contributor card

NOTE: "Cash contribution" also refers to:

- Money orders
- Cashiers checks
- Official checks
- Travelers checks

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

Cal. Gov't Code § 84300

Cash contributions must be less than \$100. It is illegal for a committee to receive a \$100 bill and give \$1 back to the contributor.

Whenever your committee receives a cash contribution, it's a good practice to have the contributor fill out and sign a contributor card so that you will have a record of the contribution. This slide provides an example of the information you should include in your contributor card.

## Contributor Information

Accurate & complete reporting will help you avoid fees or forfeitures.

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

Contributor Information	
Full Name	
Street Address	
Occupation and Employer Information (if self-employed, business name; if no business name exists, specify "self-employed/same")	

S.F. C&GC Code § 1.114(e)

For every contributor who gives you \$100 or more cumulatively, you need to report the contributor's information on your campaign statement. This includes the contributor's full name, street address, occupation and employee information.

### Contributor Information: Example

Dan Smith contributes \$50 cash on August 1, 2010. Dan Smith writes a check for \$60 on September 1, 2010. Committee may accept if it has the full name, street address, occupation and employer information of Dan Smith.

DATE RECEIVED	FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE ALSO ENTERS ID NUMBER)	CONTRIBUTOR CODE *	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF BUSINESS, ENTER BUSINESS)	AMOUNT RECEIVED THIS PERIOD	CUMULATIVE TO DATE CALENDAR YEAR (LINE 1, SEC. 3)
8/1/2010	Dan Smith 123 Smith Lane, SF, CA 94102	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTN <input type="checkbox"/> PTY <input type="checkbox"/> BGC	Attorney, Smith, Kline, and Perkins	\$50	\$110.00
9/1/2010	Dan Smith 123 Smith Lane, SF, CA 94102	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTN <input type="checkbox"/> PTY <input type="checkbox"/> BGC	Attorney, Smith, Kline, and Perkins	\$60	\$110.00

Remember to report all your contributions and provide complete contributor information! When contributions are incompletely reported, they may be forfeited to the City.

For example, Dan Smith contributes \$50 cash on August 1, 2010 and the following month Dan Smith writes a check for \$60. In order for the committee to accept Dan Smith's contribution, it must have his address, occupation, and employer information. The committee must report Dan Smith's contributions completely on its campaign statements in order to avoid forfeiting any portion of the contributions to the City.

**Rules for Return 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.

**MUST BE RETURNED WITHIN 48 HOURS** during the **LATE REPORTING PERIOD** (16-day period immediately preceding an election).

S.F. C&GC Code § 1.114(g)

Here is an example illustrating the rules for returning contributions.

You receive a contribution you aren't sure you want to accept or you realize you have incomplete contributor information. You have a certain time period to return the contribution.

If you don't deposit the check, you can simply give the check back before the closing date of the campaign statement. If you have already deposited the check, you can issue a check to return the contribution; however because you have deposited the check and officially received the contribution you must now also report it on your next campaign statement.

**Notice to Contributors of  $\geq$  \$5,000**

Committees that receive contributions totaling \$5,000 or more in a calendar year from a contributor must:

- ☐ Provide notice to the contributor (within 2 weeks of receiving the contribution) that the contributor may have reporting obligations
- and
- ☐ Keep a record/copy of each notice sent.

**\*\* Contributions received from recipient committees do not require major donor notification.**

Gov't Code § 84105

If you receive contributions of \$5,000 or more from one contributor in a calendar year, you must notify the contributor that he or she may have reporting obligations. This major donor notification does not apply to contributions you receive from a recipient committee.

FPPC manuals provide sample text that should be included in a notification.



## Mass Mailings

- Disclosure Requirements
- Additional requirements if a mass mailing is an independent expenditure to support or oppose a candidate for City elective office; See discussion under Third Party Disclosure Form
- Record Keeping

In the next few slides, we will discuss rules relating to mass mailings.


**Mass Mailing Disclosure Requirements**  
(> 200 pieces in a calendar month)

- ☐ Display in **font size ≥ 6 pt.** on outside:
  - ☐ Committee's name
  - ☐ Street address, city, state, and zip code

**Mailings sent by two or more committees**  
must display:

- ☐ On the outside: name and address of the committee paying the largest share
- ☐ On at least one insert: names and addresses of all the committees

Gov't Code § 84305



The illustration shows a mailing envelope and an insert. The envelope is labeled with the name and address of the committee paying the largest share: 'Committee to Support Prop A, 20 Pink Street, SF'. The insert is labeled with the names and addresses of all committees: 'Committee to Support Prop A, 20 Pink Street, SF' and '2nd Committee to Support Prop A, 30 Green Blvd., SF'.

Whenever a committee sends out more than 200 pieces of mailing in a calendar month, there are disclosure requirements that need to be followed. As you can see on the right hand side of this slide, the committee's name, street address, city, state and zip code are printed on the outside of the mailing, in at least a 6 point font size or greater.

When two or more committees send a mass mailing, the committee that pays the largest share for the mailing is listed on the outside and the names and addresses of all the senders are printed on at least one insert.

Mass Mailings that are Independent Expenditures to Support or Oppose a Candidate for City Elective Office

- There is a different disclaimer requirement, and
- There is a filing obligation if the independent expenditures total \$1,000 or more.

These requirements are discussed in detail under the section about the Third Party Disclosure Form.

If a mass mailing is an independent expenditure to support or oppose a candidate for City elective office, it requires a different disclosure. In addition, if the independent expenditure totals \$1,000 or more, there is also a filing requirement. I will discuss these requirements when I talk about the Third Party Disclosure Form.



Please note that recordkeeping is important. You must keep a sample of the mailing, when the mailing was sent, the number of pieces mailed, and the method of postage used for 4 years.

## Campaign Advertisement and Other Rules

- Campaign Ads: What are the Disclosure Requirements?
- Campaign Ads: Additional Disclosure Requirements for Primarily Formed Ballot Measure Committees
- Campaign Advertisements: Independent Expenditures
- Paid Spokesperson Report (Form 511)
- Live or Recorded Telephone Calls
- Record Keeping re Telephone Calls
- False Endorsements

In the next section, we will talk about campaign advertisement and other rules.

## What is a Campaign Advertisement?

Any general or public advertisement authorized and paid for by a person or committee to support or oppose a candidate for elective office or a ballot measure or ballot measures.

Cal. Gov. Code § 84501

According to California Government Code Section 84501, an advertisement is any general or public advertisement that is authorized and paid for by a person or committee for the purpose of supporting or opposing a candidate for elective office or a ballot measure or ballot measures.



A Campaign Advertisement that supports or opposes a candidate for City elective office is any of the following:

- (1) Programming received by a television or radio;
- (2) A communication placed in a newspaper; periodical or magazine of general circulation;
- (3) Posters, door hangers, and yard signs produced in quantities of 200 or more; and
- (4) A billboard.

## Ads that Support or Oppose a Candidate for City Elective Office

### Disclosure Requirements

- ☐ Must **identify the person who paid** for the advertisement "paid for by \_\_\_ (insert name of the person who paid for the communication)\_\_\_"
- ☐ If printed, font size  $\geq 14$  pt.
- ☐ If in spoken form, at the **same volume and speed** as the rest of the communication and appropriately conveyed for the hearing impaired



S.F. C&GC Code § 1.162

If you pay for a campaign advertisement that relates to a candidate for City elective office, you must include a disclosure statement about the person or committee paying for the advertisement. If the advertisement is in written form, it must identify the person who paid for the advertisement in font size 14 point or greater. If it is in spoken form, it needs to be played at the same volume and speed as the rest of the message so as to be clearly audible and understood by the intended public and otherwise appropriately conveyed for the hearing impaired.



**Campaign Ads For or Against  
Ballot Measures**

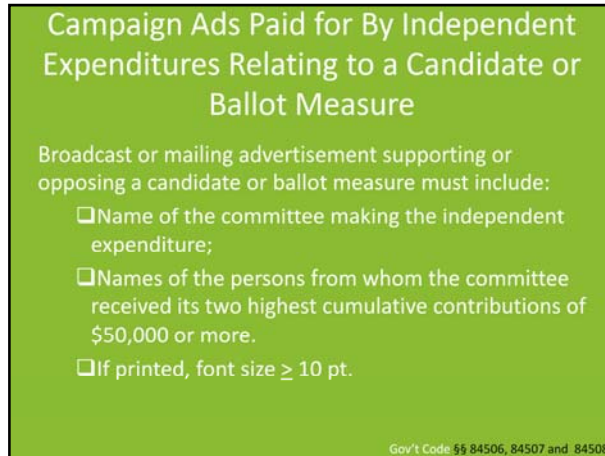
Any ad for or against a ballot measure must also include:

- ☒ Any person whose cumulative contributions are \$50,000 or more
  - ☐ If more than 2 donors give \$50,000 or more, committee must disclose the highest and second highest, in that order; or if the amounts are identical, disclose in chronological order.
  - ☐ If printed, font size  $\geq$  10 pt.
  - ☐ If in spoken form, it must be spoken so as to be clearly audible and understood and appropriately conveyed for the hearing impaired.

See relevant FPPC Manual  
for more details.

Gov't Code §§ 84503, 84507 and 84508

If you pay for a campaign advertisement that relates to ballot measures, you must disclose any donor who gave you \$50,000 or more. If the campaign advertisement is in printed form, the disclosure font size must be 10 point or greater and if in spoken form, the disclosure must be clearly audible and appropriately conveyed for the hearing impaired.



If you make an independent expenditure for a Campaign Ad Relating to a Candidate or Ballot Measure, you must follow these disclosure requirements:

A broadcast or mailing advertisement supporting or opposing a candidate or ballot measure must include:

- ☐ The name of the committee making the independent expenditure;
- ☐ The names of the persons from whom the committee received its two highest cumulative contributions of \$50,000 or more
- ☐ If printed, the disclosure typeface must be 10 point font or greater.

## Campaign Ads Paid for By Independent Expenditures Relating to a Candidate or Ballot Measure

(Continued from previous slide.)

- ☐ If in spoken form, it must be spoken so as to be clearly audible and understood and appropriately conveyed for the hearing impaired.
- ☐ If the advertisement supports or opposes a candidate, it must include a statement that it was not authorized by a candidate or by a committee controlled by a candidate.

Gov't Code §§ 84506, 84507 and 84508

- ☐ If in spoken form, the disclosure must be spoken so as to be clearly audible and understood, and appropriately conveyed for the hearing impaired.
- ☐ If the advertisement supports or opposes a candidate, the ad must include a statement that it was not authorized by a candidate or by a committee controlled by a candidate.

**Paid Spokesperson Report (Form 511)**


Required when a committee that makes expenditures totaling \$5,000 or more to an individual:

- ✓ For his/her appearance in one or more of the following media: print, television, radio broadcast, or telephone message
- ✓ To support or oppose the qualification, passage or defeat of a ballot measure.

☐ File within 10 days of making or promising payments totaling \$5,000 or more, whichever is earlier.

☐ The advertisement must include this disclosure statement:  
(spokesperson's name) is being paid by this campaign or its donors.

Gov't Code § 84511  
2 Cal. Code of Regs. § 18450.11



If you pay \$5,000 or more to someone for his/her appearance in an advertisement or telephone message to support or oppose a ballot measure, you must file a paid spokesperson report or a Form 511 within 10 days of making or promising the payments, whichever comes first.

**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.

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



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

For telephone messages that are distributed to 500 or more individuals or households, you must disclose the name of the person who authorized or paid for the call. The disclosure must be audible and played at the same volume and speed as the rest of the message.

## Record Keeping

Live or Recorded Telephone Calls

Retain a:

- ☐ 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

In terms of record keeping, you need to keep a record of the number of calls distributed for each message, a transcript of the message, as well as a copy of the recording if the message was recorded.

## False Endorsements are Prohibited

A false endorsement is a statement, signature, photograph, or image representing that a person expressly supports or opposes or conveys support for or opposition to a candidate or measure when in fact the person does not support or oppose to the candidate or measure as stated or implied in the campaign communication

S.F. C&GC Code § 1.163.5

A false endorsement is not allowed. No one may sponsor any campaign advertisement that is distributed within 90 days prior to an election where the person knows that it is a false endorsement.

Expenditures Relating to  
Candidates for City Elective Office

Third Party Disclosure Form

- \$5,000 or more expenditures
- Mass mailings that are independent expenditures
- Electioneering communications
- Persuasion Polls

Expenditures relating to candidates for City elective office require additional disclaimers and filings. In this section, I will talk about the Ethics Commission's Third Party Disclosure Form.



### Notice of Expenditures of \$5,000 or More

#### Who files:

Any person who makes or incurs independent expenditures, electioneering communications or member communications that clearly identify a candidate for City elective office in an aggregate amount of \$5,000 or more per candidate.

#### Disclosure is required:

- 1) in a race for Mayor or Board of Supervisors only if at least one candidate for Mayor or one candidate for the Board of Supervisor in the same district is eligible to receive public funds.
- 2) in all other races, only if at least one candidate has accepted the applicable voluntary expenditure ceiling and the Ethics Commission has not lifted that voluntary expenditure ceiling.

Whenever a committee makes expenditures of \$5,000 or more relating to a Candidate for City elective office, the committee is required to inform the Ethics Commission.

This disclosure is required in a race for Mayor or Board of Supervisors only if the Ethics Commission has certified that at least one candidate for Mayor or one candidate for the Board of Supervisor in the same district is eligible to receive public funds. In all other races, disclosure is required only if at least one candidate has accepted the applicable voluntary expenditure ceiling and the Ethics Commission has not lifted that voluntary expenditure ceiling.

### Notice of Expenditures of \$5,000 or More, Con't

When to file:

Within 24 hours of,

- 1) Reaching the initial threshold of \$5,000; and
- 2) Each time the person makes or incurs an additional expense that in the aggregate totals \$5,000 or more per candidate.

The Third Party Disclosure form must be filed within 24 hours of (1) reaching the initial threshold of \$5,000 and (2) each time the person or committee makes or incurs an additional expense that in the aggregate totals \$5,000 or more per candidate.

Notice of Expenditures of \$5,000 or More, Con't

What to file:

- Third Party Disclosure Form; and
- a legible copy of the communication if it is conveyed in writing or an electronic recording if it is conveyed via audio or video.

Along with the Third Party Disclosure form, committees must submit a legible copy of the communication if it is conveyed in writing or an electronic recording if it is conveyed via audio or video.

The cost of a communication that supports or opposes more than one candidate or measure must be apportioned among each candidate and measure in the communication. Your records must include a calculation of how such costs were divided up and determined.

**Mass Mailings: Independent Expenditures**

If a mass mailing is an independent expenditure to support/oppose a candidate for City elective office...

**Disclosure Requirements**

1. Displayed in font size  $\geq$  14 pt.
2. Notice to Voters (Required by the City and County of San Francisco)

**Filing Requirement**

1. File a Statement, and
2. Two pieces of the mailing.

S.F. C&GC Code§ 1.161(b)

**Notice to Voters**  
(Required by the City and County of San Francisco.)

"This mailing is not authorized or approved by any candidate for City and County office or by any election official. It is paid for by:

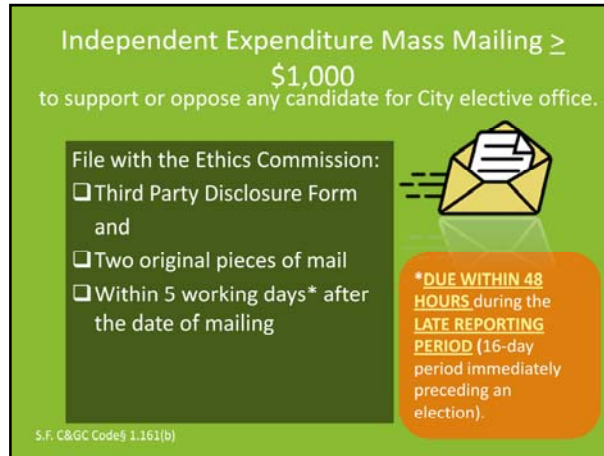
(Committee name and identification number)  
(address, city, state, zip code)  
Total cost of this mailing is (amount)."

If your mass mailing is an independent expenditure that supports or opposes a candidate for City elective office, there is a different disclosure requirement. You must place the notice to voters on the mailing in 14 pt font or greater. The graphic on the slide shows an example of the notice to voters.

There is also a filing requirement, which I will discuss after the next slide.



This slide is an example of a mass mailing that supports a candidate for Mayor and includes all the information that must be disclosed in typeface 14 pt. font or greater.



If your independent expenditure mass mailing costs \$1,000 or more and supports or opposes any candidate for City elective office, you must file the Third Party Disclosure Form along with two original pieces of mail. The Third Party Disclosure Form requires you to disclose the separate costs associated with the mass mailing, such as photography, design, production, printing, distribution and postage.

This form must be filed with the Ethics Commission within 5 business days of the date of the mailing. Remember though that if the mailing is sent during the late reporting period, the form and attached communications must be filed within 48 hours.

### Electioneering Communications

An electioneering communication is any communication that:

- Refers to a clearly identified candidate for City elective office or any officer who is the subject of a recall election; and
- Is distributed within 90 days prior to an election to 500 or more individuals who are registered to vote or eligible to register to vote.

An electioneering communication is any communication (such as any broadcast, cable, satellite, radio, internet, or telephone communication, and any mailing, flyer, doorhanger, pamphlet, brochure, card, sign, billboard, facsimile, or printed advertisement) that:

refers to a clearly identified candidate City elective office or a City elective officer who is the subject of a recall election; and

is distributed 90 days prior to an election for the City elective office sought by the candidate or a recall election regarding the City elective officer to 500 or more individuals.

Some examples of an  
electioneering communication

- any broadcast, cable, satellite, radio, internet, or telephone communication, and
- any mailing, flyer, doorhanger, pamphlet, brochure, card, sign, billboard, facsimile, or printed advertisement.

Some examples of an electioneering communication include:

any broadcast, cable, satellite, radio, internet, or telephone communication, and  
any mailing, flyer, doorhanger, pamphlet, brochure, card, sign, billboard, facsimile, or  
printed advertisement.



Some examples of what is NOT considered to be an electioneering communication

- Independent expenditures
- Non-recorded and unpaid communications between two or more individuals in direct conversation.
- Bumper stickers, pins, stickers, hat bands, badges, ribbons and other similar memorabilia.
- News stories, commentaries or editorials distributed through any newspaper, radio or tv station, unless owned/controlled by political party, committee or candidate.

Some examples of communications that are NOT considered to be electioneering communications include:

- Independent expenditures
  - Non-recorded and unpaid communications between two or more individuals in direct conversation
  - Bumper stickers, pins, stickers, hat bands, badges, ribbons and other similar memorabilia
- or
- News stories, commentaries or editorials distributed through any newspaper, radio or TV station, unless owned or controlled by a political party, committee or candidate.

## Electioneering Communications, Cont'd

### Who files:

Any person who makes payments for electioneering communications that total \$1,000 during any calendar year.

### When to file:

Within 48 hours of each disclosure date.

What to file: Third Party Disclosure Form and a copy of the electioneering communication if it is in printed form or a transcript of the electioneering communication if it is in spoken form.

Any person who makes payments for electioneering communications that total \$1,000 during any calendar year must file a Third Party Disclosure form with the Ethics Commission and provide a legible copy or transcript of the printed or spoken electioneering communication.

The Third Party Disclosure form must be filed within 48 hours of each disclosure date. The form includes an instructions section that explains what a disclosure date is.

What disclosure is required on the  
electioneering communication?

The electioneering communication must contain the following words, “paid for by \_\_\_\_ (insert the name of the person who paid for the communication).”

This disclosure statement must be in at least 14 point type if the communication is in written form, or spoken at the same volume and speed as the rest of the communication and appropriately conveyed for the hearing impaired if it is in spoken form.

The electioneering communication must contain the following words, “paid for by \_\_\_\_ (insert the name of the person who paid for the communication) \_\_\_\_.” This disclosure statement must be in at least 14 point type if the communication is in written form, or spoken at the same volume and speed as the rest of the communication and appropriately conveyed for the hearing impaired if it is in spoken form.

### Persuasion Polls: Definition

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

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

AND

There is a very technical definition for persuasion polls. But in general, a persuasion poll is a telephone survey that clearly identifies a candidate for City elective office and includes at least 1,000 calls with at least one call made within the 60 days prior to the election.

### 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)
- ✓ survey 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  
or
- ✓ the survey is designed or intentionally conducted in a manner calculated to influence the vote of the call recipient in the election.

And the survey meets at least 2 of the requirements listed 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.

When a caller makes a persuasion poll, he or she must identify the person paying for the call. If the person making the call is not the person who paid for the call, the caller must also disclose the name of the person making the call.

### Persuasion Polls: Filing

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

- ☐ file *Third Party Disclosure Form* 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.

And finally, if you authorize, administer, or make a payment for a persuasion poll, you need to file a Third Party Disclosure form with the Ethics Commission within 48 hours of each disclosure date, as described in this slide.

## Wrap Up

- Committee Changes
- Terminating the Committee
- Recordkeeping
- Fees for Late Filings
- Penalties
- Resources
- Questions
- Remember to File Form SFEC-107 Before Leaving

In the next few slides, we will wrap up this training.



**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	

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

**DUE WITHIN 24 HOURS** during the **LATE REPORTING PERIOD** (16-day period immediately preceding an election).

If you have an existing committee, remember to file an amendment to Form 410 within 10 days of any changes to your committee name or committee contact information. Generally, the amended Form 410 is required to be filed within 10 days of the change. However, if any change occurs during the 16 day period preceding an election, the Form 410 is due within 24 hours.

You must also file the Form 410 when you terminate the 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



Until you terminate your committee, you need to continue to file campaign statements.

Once you decide to terminate your committee, you need to make sure that your committee has a zero cash balance, the committee is not receiving anymore contributions or making any more expenditures, and that there is no outstanding debt. If there is still debt, you can continue to terminate the committee but you will need to state that you do not intend to pay the debt.

## Recordkeeping

- ☐ Retain for 4 years.
- ☐ Committee may be audited.

Examples of types of records:

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

Gov't Code § 84104



You are required to keep the committee records for 4 years. Recordkeeping is very important, both because it helps when you file your campaign disclosure reports, and because the records may need to be turned over in an audit.

This slide provides a list of some the types of records that you need to keep. For a more extensive list, please refer to the FPPC manual.

**Fees for Late Filings**

**Remember!**  
Treasurers may be held personally liable for fees!

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

Gov't Code § 91013  
S.F. C&GC § 1.170(d)

There are late fees involved if you file late.

If you ever have any questions about your filing obligations, feel free to contact the Ethics Commission.

## 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

The law provides for criminal, civil, or administrative penalties for violations of campaign finance laws. Be sure to call the Ethics Commission when you are unsure of what the law requires.

## Important Resources

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

This slide provides contact information for the FPPC and the Secretary of State's Office.

## Questions

San Francisco Ethics Commission

25 Van Ness Ave., Suite 220

San Francisco, CA 94102

Tel: (415) 252-3100

Fax: (415) 252-3112

[www.sfethics.org](http://www.sfethics.org)

[ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org)

If you have specific questions regarding the rules or their application, please contact Ethics Commission staff by phone at 415.252.3100 or email at [ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org). You may also visit our offices at 25 Van Ness Avenue, Suite 220, San Francisco, California 94102.

Thank you for your participation in the Non-Candidate Recipient Committee Training.

**Proof of Attendance**

This training satisfies training required under local law.



☐ Remember to fill out form SFEC-107 and submit it to the Ethics Commission.

S.F. C&GC Code § 1.107

Attending this training satisfies a requirement under local law. Everyone required to complete this training should remember to submit form SFEC-107 to the Ethics Commission. You may find a copy of the Form SFEC-107 at the bottom of this training page.