

SUPPLEMENTAL GUIDE FOR BOARD OF SUPERVISOR CANDIDATES SEEKING PUBLIC FUNDING IN THE JUNE AND/OR NOVEMBER 2018 ELECTION



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This guide is intended to assist candidates in the process of applying for public financing. Candidates should use it as a supplement to the **Candidates' Guide for San Francisco City Elective Office**, which details requirements of **all candidates for City elective office**.

JUNE 2017

Contents

I.	INTRODUCTION	4
	WHAT IS THE PUBLIC FINANCING PROGRAM?	4
II.	WHAT DO YOU NEED TO KNOW ABOUT PUBLIC FINANCING?	4
	GETTING STARTED WITH PUBLIC FINANCING	4
	24-HOUR NOTIFICATION UPON REACHING CERTAIN THRESHOLDS	5
	WHAT ARE YOUR RESPONSIBILITIES IF YOU AGREE TO PARTICIPATE IN PUBLIC FINANCING?	5
	IS THERE AN AMOUNT OF MONEY YOU MUST RAISE TO QUALIFY?	6
III.	SUBMITTING A QUALIFYING REQUEST	6
	WHAT IS A QUALIFYING CONTRIBUTION?	6
	WHAT IF A CONTRIBUTOR DONATES LESS THAN \$10?	7
	SUPPORTING DOCUMENTATION	7
	WHAT METHODS OF PAYMENT ARE “CASH”?	8
	CONTRIBUTOR CARDS	8
	WHAT IF A CONTRIBUTOR GIVES YOU \$100 IN CASH?	9
	HOW CAN YOU PROVE SAN FRANCISCO RESIDENCY?	9
	ONE CHECK FROM TWO ACCOUNTHOLDERS	10
	CHECKS DRAWN ON BUSINESS ACCOUNTS ARE NOT MATCHED	10
IV.	REVIEW OF APPLICATION	10
	WHAT HAPPENS IF YOU ARE CERTIFIED?	10
	PAYMENT IS NOT FINAL DETERMINATION	11
	WHAT HAPPENS IF YOU ARE NOT CERTIFIED?	11
	WHAT IF YOU WITHDRAW OR FAIL TO QUALIFY TO HAVE YOUR NAME ON THE BALLOT?	11
V.	DISBURSEMENT OF PUBLIC FUNDS	11
	WHEN WILL YOU RECEIVE PUBLIC FUNDS IF YOU ARE CERTIFIED?	11
	HOW CAN YOU OBTAIN PUBLIC FUNDS?	11
	HOW MUCH PUBLIC FUNDING WILL YOU RECEIVE INITIALLY?	12
VI.	SUBMITTING A MATCHING REQUEST	12
	CAN YOU RECEIVE MORE FUNDS AFTER THE INITIAL \$20,000 PAYMENT?	12
	WHAT IS A MATCHING CONTRIBUTION?	12

HOW DO YOU MAKE A CLAIM FOR ADDITIONAL PUBLIC FUNDS?	13
IS THERE A MINIMUM AMOUNT OF MATCHING FUNDS REQUIRED TO MAKE A CLAIM FOR ADDITIONAL PUBLIC FUNDS?	13
HOW OFTEN MAY YOU SUBMIT A CLAIM?	13
WHEN IS THE LAST DAY YOU MAY REQUEST MATCHING FUNDS?	13
VII. UNDERSTANDING INDIVIDUAL EXPENDITURE CEILINGS	13
INDIVIDUAL EXPENDITURE CEILING (IEC)	13
WHAT HAPPENS IF YOU EXCEED YOUR IEC?	15
VIII. DO YOU NEED A CAMPAIGN CONTINGENCY ACCOUNT (CCA)?	15
IX. USES OF PUBLIC FUNDS	16
WHAT IS A QUALIFIED CAMPAIGN EXPENDITURE?	16
X. RECORDKEEPING	16
XI. AFTER THE ELECTION	17
THE AUDIT	17
WHAT HAPPENS IF YOU HAVE FUNDS REMAINING IN YOUR CAMPAIGN CONTINGENCY ACCOUNT?	17
WHAT HAPPENS IF YOU HAVE FUNDS REMAINING IN YOUR CAMPAIGN CONTRIBUTION TRUST ACCOUNT?	18
XII. CONCLUSION.....	18

I. Introduction

This guide summarizes State and local laws applicable to candidates for the San Francisco Board of Supervisors who would like to participate in San Francisco's public financing program. It is intended to answer the most frequently asked questions about these laws, and therefore is necessarily general. Any specific questions regarding these laws should be directed to the San Francisco Ethics Commission ("the Commission") at (415) 252-3100 or ethics.commission@sfgov.org. In addition, candidates should consult the Commission's [Candidates' Guide for City Elective Office](#) and [FPPC Manual 2](#), which are available at the office of the Ethics Commission and online.

Please be aware that additional requirements and restrictions may apply. To the extent this guide conflicts with State or local law, the law controls.



The dates/deadlines listed in this supplemental guide apply to the June and November 2018 elections.

Agency Contact Information:

Although the Ethics Commission may administer and enforce several of the laws described in this guide, the Commission does not have authority to interpret or enforce all of these or related laws. In addition to the Commission, agencies that administer and enforce laws regulating candidates and elections include the California Secretary of State (SOS), the California Fair Political Practices Commission (FPPC), and the San Francisco Department of Elections. They may be contacted as follows:

Secretary of State	www.sos.ca.gov	(916) 653-6814
FPPC	www.fppc.ca.gov	(866) 275-3772
SF Dept of Elections	www.sfelections.org	(415) 554-4375

What is the public financing program?

In November 2000, the voters of San Francisco adopted Proposition O, the Fair Elections Ordinance. Among other things, Proposition O amended the San Francisco Campaign Finance Reform Ordinance ("CFRO"), San Francisco Campaign and Governmental Conduct Code ("S.F. C&GC Code") section 1.100 *et seq.*, to provide for partial public financing for candidates for the

Board of Supervisors to help defray the costs of election campaigns. Recent amendments have made substantive changes to the provisions of the program. Under the program, candidates certified as eligible to receive public financing may receive up to a maximum of \$155,000 (Non-Incumbent Candidates) or \$152,500 (Incumbent Candidates).

II. What Do You Need to Know About Public Financing?

Getting Started with Public Financing

- Step 1: Know what you're signing up for**
Read and understand the applicable laws related to San Francisco's public financing program. This Supplemental Guide will provide an overview, but candidates are also responsible for reading applicable sections of CFRO and Ethics Commission regulations pertaining to CFRO sections. These laws can be found in the "[Laws](#)" section of the Commission's [web-site](#). You are also responsible for filing forms required by all candidates (regardless of participation in public financing program). See the [Candidates' Guide for City Elective Office](#).
- Step 2: Decide to participate or not participate**
File a [Statement of Participation or Non-Participation](#) form no later than the deadline for filing nomination papers. The [Checklist for Candidates for City Elective Office](#) provides election-specific deadline dates). After reviewing the rules of the program, indicate whether you wish to participate by checking the appropriate box. The forms for the public financing program must be submitted **electronically**. You may use the Commission's electronic filing system or use a private software vendor that provides electronic filing for the public financing program.
- Step 3: Establish a Good Recordkeeping System**
Candidates and treasurers, including those who receive public funding, are responsible for maintaining detailed records, pursuant to California Government Code ("Cal Gov't Code") Section [84104](#) (*see also* 2 Cal. Code of Regs. [§ 18401](#)). *All* publicly financed candidates will be audited. Detailed records are essential to the audit and to assist the committee in the submission of accurate and complete applications for public funds.

□ **Step 4: Submit Your Application**

No sooner than nine months before the election and no later than the 70th day before the election, submit a [Qualifying Request](#) and supporting documentation to the Commission to establish eligibility. Note that by submitting this form, you are agreeing to abide by your individual expenditure ceiling.

24-Hour Notification Upon Reaching Certain Thresholds

You must notify the Ethics Commission within 24 hours of receiving or spending a certain amount of money, regardless of whether you receive public funds.

Each candidate for the Board of Supervisors must file the [Threshold Form](#) within 24 hours of receiving contributions of \$10,000 to be deposited in his or her Campaign Contribution Trust Account, or within 24 hours of making expenditures of \$10,000 or more.

The [Threshold Form](#) must also be filed by all candidates in any district where at least one candidate is certified as eligible to receive public funds. All candidates in a district where one candidate receives public funds must file a statement:

(1) within 24 hours of when you:

- receive \$100,000 or more in monetary contributions, loans, in-kind contributions and public funds; or
- spend \$100,000 or more in paid and unpaid expenditures.

Additionally, you must file a statement:

(2) within 24 hours of each time your

- receipts of monetary contributions, loans, in-kind contributions, or public funds increase by \$10,000 (such as reaching \$110,000, \$120,000, \$130,000, etc.); or
- paid and unpaid expenditures increase by \$10,000 (when your expenditures reach \$110,00, \$120,000, \$130,000, etc.)

Reminder: The date a contribution is received is the date your committee obtains possession of the written instrument or cash, not the date you deposit it into the bank account.

Expenditures are considered made when goods or services are received or when payment is made, whichever occurs first.

What are your responsibilities if you agree to participate in public financing?

To qualify for public financing, you must do the following:

Action Required with Corresponding Deadlines	06/2018 Election Deadline	11/2018 Election Deadline
File Nomination Papers, file a <i>Statement of Participation or Non-Participation</i> (Form SFEC-142(a))	01/09/2018	06/12/2018
Raise at least \$10,000 (non-incumbents) or \$15,000 (incumbents) in qualifying contributions before the 70 th day before the election in amounts ranging from \$10 to \$100 from at least 100 individuals (non-incumbents) or 150 individuals (incumbents) who reside in the City	12/05/2016 through 03/26/2018	05/06/2017 through 08/27/2018
Submit a <i>Qualifying Request</i> (Form SFEC-142(b)-1 and 142(b)-2) with supporting documentation to establish eligibility	09/05/2017 through 03/27/2018	02/06/2018 through 08/28/2018

- seek election to the Board of Supervisors and be eligible to hold office if elected;
- be opposed by a candidate who has qualified for public financing or by a candidate who has received contributions or made expenditures that in the aggregate equal or exceed \$10,000;
- agree to limit spending on your campaign to no more than your individual expenditure ceiling of \$250,000 or as raised by the Ethics Commission;

- 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;
- bear the burden of proving that each contribution you rely upon to establish eligibility is a qualifying contribution and that expenditures made with public funds were used only for qualified campaign expenditures;
- 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;
- agree to participate in at least three debates with your opponents;
- have paid any outstanding fines owed to the City by you or any of your campaign committees;
- have filed any outstanding statements, reports or forms owed to the City by you or any of your campaign committees; and
- have no finding by a court within the past five years that you knowingly, willfully, or intentionally violated the CFRO or the campaign finance provisions of the Political Reform Act.

Is there an amount of money you must raise to qualify?

Yes. Candidates for the Board of Supervisors must receive at least \$10,000 (Non-Incumbents) and \$15,000 (Incumbents) in qualifying contributions from at least 100 contributors (Non-incumbents) or 150 contributors (Incumbents). Qualifying contributions must be received no sooner than 18 months prior to the election and no later than the 71st day before the election.

III. Submitting a Qualifying Request

In order to establish eligibility to receive public funds, you must submit a *Qualifying Request* along with supporting documentation. **The *Qualifying Request* and supporting documentation are submitted electronically.**

When preparing your *Qualifying Request*, you will need to identify qualifying contributions totaling \$10,000 (or \$15,000 if Incumbent) from at least 100 contributors (or 150 contributors if Incumbent). You must provide the following information: name of contributor, contributor's residential street

address (business addresses or P.O. Box addresses are not acceptable), date of contribution, amount of contribution, deposit batch number, method of payment, occupation and employer information if the cumulative amount that you received from the contributor for the calendar year is \$100 or more, and supporting documentation.

What is a qualifying contribution?

A qualifying contribution is:

- ✓ made by an individual who is a San Francisco resident;
- ✓ \$10 - \$100 per contributor (cumulatively);
- ✓ made within 18 months prior to the election and no later than the 71st day before the election; and
- ✓ supported by appropriate documentation.

For contributions greater than \$100, only the first \$100 counts as a qualifying contribution. The remainder may count as a matching contribution after the candidate is certified as eligible. See page 12 for information about matching contributions.

Qualifying contributions do not include contributions that are:

- ✗ loans or non-monetary contributions;
- ✗ from the candidate or his/her immediate family;
- ✗ less than \$10 (cumulatively) from a single contributor;
- ✗ made in violation of local or State law;
- ✗ drawn on a business account;
- ✗ unaccompanied by adequate supporting documentation;
- ✗ made by an individual who is not a San Francisco resident;
- ✗ made after the 71th day before the election or earlier than 18 months prior to the date of the election;
- ✗ contributed to support the candidate's election to a different office or a different term; and
- ✗ bounced checks.

See S.F. C&GC Code [§ 1.104](#) and [SFEC Regulations § 1.104-2](#).

Qualifying contributions do not include contributions made to a candidate to support the candidate's election to a different office, or to support the candidate's election to the same office in a different election year, where those contributions were unexpended and carried forward as contributions to a new campaign.

What if a contributor donates less than \$10?

If a contributor has donated less than \$10 (cumulatively), her/his contribution is not qualifying. However, if the contributor donates \$9, and later donates \$1, the two contributions taken together may be qualifying.

Supporting Documentation

For every contribution that you seek to be matched with public funds, you must provide supporting documentation to establish the existence of the contribution and prove S.F. residency of the contributor.

The quality of your campaign's recordkeeping will directly affect your ability to receive public matching funds. You cannot use public funds for any expenditure that does not have appropriate documentation created at the time of the expenditure.

Contributions Made by Check

Provide a copy of the contributor's check. If the contributor's name and S.F. residential address is pre-printed on the check, the Commission will accept the information as proof of S.F. residency. If the address is handwritten or not on the check, you must provide proof of residency, as described in detail under "How can you prove San Francisco residency?" below.

Contributions Made by Credit Card

Provide documentation that is produced by your credit card merchant showing that the contribution was received by your committee. The document must include the contributor's name, contributor's residential street address, date of contribution, amount of contribution, occupation/employer information, and billing address and/or verification of billing address.

Supporting documentation for the credit card contributions may be sent directly from the credit card vendor to the Ethics Commission. Alternatively, the committee may demonstrate to Ethics staff that documentation is authentic by logging into their account at the Ethics Commission's offices and creating reports as staff stands by to view the process. If a candidate wants to know whether the report of a credit card contribution provided by a vendor is sufficient to prove S.F. residency of the contributor, the candidate may speak to an auditor who can review whether the report is sufficient to prove S.F. residency of the contributor.

Credit Card Processing Company Statements or Reports: You must obtain statements or reports containing summary information regarding the transactions processed and the fees charged by your credit card processor. Certain companies may generate separate reports to address chargebacks or attempted transactions that failed. Credit card processing company reports may also contain explanations for codes that appear on proof of processing documents. Additionally, the Ethics Commission may ask the campaign to request that the vendor submit the statements or reports directly to the Ethics Commission.

Proof of the Contributor's Authorization: The purpose of requiring proof of contribution authorization by the contributor is the same as the Ethics Commission's requirement that contributors sign their checks or, in the case of cash or money orders, sign contributor cards. If your campaign is accepting credit card contributions online and collecting the online equivalent of a Contributor Card, your web-site must be configured to collect all of the fields on the Contributor Card. One way your committee may obtain a contributor's acknowledgement is to use a checkbox as a required field so the contributor must affirm their contribution prior to proceeding with the online transaction. This check box and statement acts as an electronic signature that indicates that the contributor is agreeing to the affirmation. If you are accepting credit card contributions using manual or hybrid processing, your campaign must ask the contributor to fill out and sign a Contributor Card.

Proof of Processing: Proof of processing consists of documentation from the credit card processor that must include:

- The contributor’s name and residential address as the billing address.
- The credit card type, the last 4 digits of the contributor’s credit card account number, and the expiration date.
- The transaction amount.
- Indication of successful AVS verification (or failure) for each individual transaction.
- Transaction approval (or declination).
- A transaction number or code from the processor for each individual transaction.
- Your committee name or merchant account number identifiable as the recipient payee of the transaction.

Unique Merchant Account Agreement and Statements: A merchant account is established with a contract or agreement. The contract outlines the terms and conditions of the merchant account and demonstrates whether it is a unique (not shared or pooled) account specific to your campaign.

For example, the agreement might contain the AVS requirements necessary for the campaign and the fee schedule being charged. The campaign must keep this document, as well as any addenda or changes to it, and submit it to the Ethics Commission upon request.

Web-site Content and Processing Documents: You must retain copies of your campaign’s web content, completed Credit Card Contributor Cards (including printouts of those completed on the web-site) and all above-referenced processing documents.

If you have any doubts regarding acceptable documentation, please contact the Ethics Commission prior to collecting contributions electronically/online.

Contributions Made by Cash

Cash contributions must be \$99.99 or less. **For cash contributions, you must provide a contributor card that is completed, signed and dated by**

the contributor at the time the contribution is made. Such contributor card will establish only that the contribution exists. **All cash contributions must be accompanied by proof of San Francisco residency.** Signed statements or affidavits may not be used as proof of San Francisco residency.

What methods of payment are “cash”?

- paper money
- money order
- cashier’s check
- travelers check
- official check
- postal money order
- other similar forms of payment

Contributor Cards

The sample contributor card that is provided below is also posted on the Commission’s [web-site](#).

For cash contributions

Contributions made by cash require a contributor card that was signed and dated at the time the contribution was made from each contributor. The contributor cards for cash contributors must clearly state: the committee’s name, the amount of the contribution, that the method of payment was “cash,” the date of contribution, the contributor’s name, and contributor’s residential address. All cash contributions must be accompanied by proof of San Francisco residency.

For check, online, or credit card contributions

A contributor card may also be obtained for contributions made by check or credit card/online. A contributor card may be useful in obtaining the required contributor information and performing due diligence in verifying that you have not accepted a prohibited contribution (i.e., contributions from corporations or a contractor doing business with the City).

Yuri Hampton for D12 Supervisor 2020 FPPC ID #10212015

Contributor Card

Contributor's Full Name (please print): _____

Residential Street Address (no P.O boxes): _____

City/State/Zip: _____

Amount of Contribution: \$ _____ Date of Contribution: _____

Form of payment:

- Cash:** may not exceed \$99.99 (cash includes money orders and cashier/official/travelers checks)
- Check:** make check payable to "Yuri Hampton for D12 Supervisor 2020"
- Credit Card/Online payment system:** must be made on a personal credit card or debit card for which you have the legal obligation to pay, and is not made either on a corporate or business entity card or on the card of another person.

For donors of at least \$100 (cumulatively), the following information is also required:

Employer: _____ Occupation: _____

If you are self-employed, please list the name of the entity that is on your paycheck.

Please list your line of work. I.e. "Business Person" is not acceptable, please enter type of business instead.

We respectfully request that Partners of Partnerships and Members of LLC's contribute individually, instead of through respective business entities. Only contributions received from SF residents are eligible to be matched with public funds.

By signing below and checking each of the boxes below, you confirm the following statements are true and accurate:

- My contribution is **not being reimbursed** by another person. (If you are not the true source of the contribution, inform us of the true source of the contribution.)
- My contribution is **not made by a corporation.**
- My contribution **does not exceed \$500.** Related entities (a business and its owner, partnerships with the same general partner, a parent company and its subsidiaries and other affiliated entities) are subject to a single, combined limit of \$500.
- I am **not a foreign national who lacks lawful permanent residence** in the United States.
- I am **not an owner, director, officer or named sub-contractor of any entity that is currently negotiating a contract(s) valued at \$50,000 of more with [select appropriate: City and County of San Francisco, name of a City department, or the San Francisco Unified School District, the San Francisco Community College District, or board of a state agency that has a member who is appointed by a City elective officer], or of any person/entity that received such a contract within the last six months.**

Signature required of all contributors:

I understand that the law requires that a contribution be in my name and be from my own funds. I hereby affirm that I was not, nor, to my knowledge, was anyone else, reimbursed in any manner for this contribution; that this contribution is not being made as a loan; and that this contribution is being made from my personal funds or my personal account, which has no corporate or business affiliation.

X _____
Contributor's Signature Date

What if a contributor gives you \$100 in cash?

If you accept the \$100 in cash, you are violating the law. You may not give change to a contributor who gives you \$100 in cash. You may also not accept smaller cash contributions that in sum will equal or exceed \$100.

See Cal Gov't Code [§ 84300](#).

How can you prove San Francisco residency?

The following documents are acceptable proof of S.F. residency:

- Current Driver's License / California Identification Card
- Recent utility bill
- Recent bank statement or credit card statement
- Current lease agreement
- Current voter registration record
- Recent pay stub
- Current address preprinted on check

Supporting documentation must show the contributor's name and current address and must be valid (i.e., an expired driver's license will not be accepted). In the case of voter registration record, the documentation must also show the voter id number of the contributor.

While proof of residency is required for all cash contributions, additional documentation is required to prove San Francisco residency for non-cash contributions when a contributor's San Francisco residential address is not pre-printed on his/her personal check or when the billing address on the account of a credit card contributor cannot be verified.

Example:

On August 8, Larry Cyrus contributes \$75 in cash. You ask him to complete, sign and date a contributor card because you need proof of each contribution. On the contributor card, he must provide all the information you requested such as his name, address, date of contribution, amount of contribution, method of payment and any other information you need from him. In addition, you must obtain proof that Larry is a San Francisco resident.

When preparing your *Qualifying Request*, you must list each contribution separately along with the details of each contribution. For supporting documentation, you will provide the contributor card for the \$75 cash contribution as well as proof of San Francisco residency (i.e., copy of driver's license).

Example:

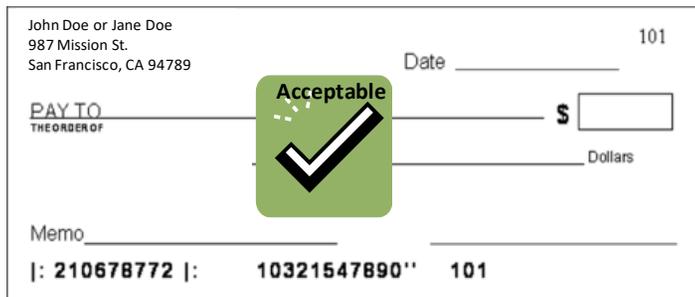
Jane Doe contributes \$60 on August 5 with a personal check that does not show her residential address. You must gather additional documentation to prove that her current residential address is in San Francisco. She provides a copy of her driver's license. In the *Qualifying Request*, you list her residential address. As supporting documentation, you provide a copy of the check and the driver's license.

One Check from Two Accountholders

A contribution that is drawn on the account of two accountholders (i.e., a check with two names on it) is considered to be from the accountholder who signs the check. Therefore, if the check is intended to be from both accountholders, they should both sign the check or the person who did not sign the check must provide a signed statement (signed at the time the contribution was made) identifying the portion of the check that should be attributed to him/her.

Checks Drawn on Business Accounts are Not Matched

All qualifying contributions must be donated from an individual's personal funds, not from business accounts, even if such funds have been "earmarked" for personal use. A business entity includes a "sole proprietorship."



IV. Review of Application

The Executive Director will review your *Qualifying Request* and supporting documentation to determine if you are eligible to receive public funds. The Executive Director may audit your committee records, interview contributors and take whatever steps he or she deems necessary to determine eligibility.

See S.F. C&GC Code § 1.142(c).

What happens if you are certified?

If the Executive Director determines that you have satisfied all the requirements described above (and detailed in section 1.140 of the CFRO), he or she will notify you, and certify to the Controller, that you are eligible to receive public funds. The Executive Director will make the determination whether or not to certify you within 30 days from the date that you submit your *Qualifying Request* and supporting documentation, but not later than the 55th day before the election.

The Executive Director may conditionally certify you if you satisfy all the requirements of section 1.140 except that you are not yet opposed by another candidate who has either established eligibility to receive public financing or who has received contributions or made expenditures that equal or exceed \$10,000.

See S.F. C&GC Code § 1.142(e); SFEC Regulations § 1.142-6.

Payment is not final determination

A payment of public funds to the candidate does not constitute a final determination of the amount that the candidate is entitled to receive. Post-election audits may lead to a determination that payments to the candidate were in excess, in which case the Ethics Commission will notify the Controller and the candidate. In addition to any other penalties, the candidate must pay back an amount equal to the amount of excess payments.

Example:

A candidate uses public funds to pay for post-election bonuses to campaign employees or for a victory party. Because public funds may not be used to pay for these expenditures, the candidate must return to the Election Campaign Fund the amount of public funds used to pay the improper expenditures. (The candidate may also be subject to enforcement penalties.)

What happens if you are not certified?

If your *Qualifying Request* or supporting documentation is incomplete or otherwise inadequate to establish eligibility, you will not be certified. The Executive Director will notify you and within five business days of the notice date, you may *resubmit* the *Qualifying Request* and supporting documentation. If you do not resubmit by the deadline, the Executive Director's decision not to certify you is final. If, after reviewing the resubmitted material, the Executive Director declines to certify you, you may be given additional opportunities to resubmit your *Qualifying Request* and supporting documentation at the Executive Director's discretion. If you fail to resubmit or if no resubmissions are permitted, the Executive Director's decision is final.

You may appeal the Executive Director's decision to the Ethics Commission by delivering a written appeal to the Commission within five calendar days of the Executive Director's notification of ineligibility following resubmission.

What if you withdraw or fail to qualify to have your name on the ballot?

If you withdraw or fail to qualify to have your name printed on the ballot in the election for which the public funds were provided, you must repay to the Election Campaign Fund the full sum of public funds you received from the Fund. In addition, if you cease to be a candidate, you must: 1) return contributions you received to persons who made such contributions on a last-in, first-out basis; 2) donate such contributions to the City or a charitable organization; or 3) use the contributions to pay outstanding campaign debts or expenses associated with terminating a committee.

See S.F. C&GC Code §§ 1.122(b) and 1.148(b).

V. Disbursement of Public Funds

When will you receive public funds if you are certified?

The 142nd day before the election is the earliest date on which you may receive public funds. For 2018 elections, this is:

- January 15th 2018 for the June 5th election
- June 18th 2018 for the November 6th election

Candidates who have been certified as eligible to receive public financing have access to funds from the Election Campaign Fund on a first-come, first-served basis.

How can you obtain public funds?

The Controller's office will electronically transfer funds to your campaign contribution trust account. **To set up electronic deposits to your committee's bank account, you must submit IRS form W-9 to the Ethics Commission to obtain a vendor identification number.** The Commission will forward the W-9 form to the Controller's office. The Commission will notify your committee when a vendor identification number has been assigned. After you receive the vendor identification number, please visit the Controller's web-site at <http://www.sfcontroller.org/> to register your committee as a vendor using the vendor identification number assigned to you.

See S.F. C&GC Code § 1.144(d)

How much public funding will you receive initially?

Once you are certified as eligible to receive public funds, the Controller will pay you an initial amount of \$20,000 from the Election Campaign Fund. After the initial payment, you may submit a *Matching Request* with supporting documentation to demonstrate matching contributions.

See S.F. C&GC Code [§ 1.144\(d\)](#), [SFEC Regulations § 1.144\(f\)-1](#).

VI. Submitting a Matching Request

Can you receive more funds after the initial \$20,000 payment?

If you certified as eligible to receive public funds, you may apply for additional funding by submitting *Matching Requests*. As shown in the table below, after the initial payment of \$20,000, for each dollar of matching contributions that you raise up to \$50,000, you will receive two dollars from the Election Campaign Fund. Thereafter, for each additional dollar of matching contributions that you raise up to \$35,000 (Non-Incumbents) or \$32,500 (Incumbents), you will receive one dollar from the Election Campaign Fund.

	Private Funds Raised by Non-Incumbents	Matching Public Funds	Private Funds Raised by Incumbents	Matching Public Funds
Initial	\$10,000	\$20,000	\$15,000	\$20,000
1:2	\$50,000	\$100,000	\$50,000	\$100,000
1:1	\$35,000	\$35,000	\$32,500	\$32,500
Total	\$95,000	\$155,000	\$97,500	\$152,500
Total Public and Private Funds	\$250,000		\$250,000	

The maximum amount of public funds that you may receive is \$155,000 (Non-Incumbents) or \$152,500 (Incumbents).

Similar to a *Qualifying Request*, a *Matching Request* is made electronically and it must include all the required information about matching contributions and supporting documentation.

What is a matching contribution?

A matching contribution:

- ✓ is a contribution up to \$500;
- ✓ has not already been counted as a qualifying contribution (Example: If the Ethics Commission counts the first \$100 of a \$250 contribution as a “qualifying contribution,” you may claim the remaining \$150 as a “matching contribution”);
- ✓ is made by an individual who is a San Francisco resident;
- ✓ is made within 18 months prior to election and no later than the 30th day following the date of the election; and
- ✓ is supported by appropriate documentation.

Matching contributions do not include contributions that are:

- ✗ already counted as qualifying or matching contributions;
- ✗ loans;
- ✗ from the candidate or his/her immediate family;
- ✗ made in violation of local or state law;
- ✗ drawn on a business account. A business entity includes a “sole proprietorship.” Contributions from corporations are not allowed—even if a candidate is not seeking public funds;
- ✗ not accompanied by adequate supporting documentation;
- ✗ not made by an individual who is a San Francisco resident;
- ✗ not accompanied by a signed and dated contributor card if the contribution is a cash contribution. A completed contributor card must be signed and dated at the time the contributor makes the cash contribution (as stated above, cash contributions includes contributions made by cash, money order, travelers/cashiers/official check);
- ✗ contributed to support the candidate’s election to a different office or a different term;
- ✗ bounced checks; or
- ✗ non-monetary contributions.

See [S.F. C&GC Code § 1.104](#)

How do you make a claim for additional public funds?

The documentation required to claim additional public funds will be very similar to the documentation required for establishing eligibility to participate in the public financing program. You may file claims for additional public funds by submitting a [Matching Request](#).

Is there a minimum amount of matching funds required to make a claim for additional public funds?

Yes. Any submission of a claim for public funds must include a minimum of \$1,000 of matching contributions, unless that submission is made during the final 14 days before an election, when a claim for public funds must include a minimum of \$200 of matching contributions.

How often may you submit a claim?

You may submit claims for additional funds on a rolling basis after you are certified as eligible to receive public funds. This means you may submit one claim at a time.

When is the last day you may request matching funds?

All claims for public funds must be submitted no later than the 30th day after an election.

Election	Last Day to Request Matching Funds (30 days after the election)
June 5, 2018	July 5, 2018
November 6, 2018	December 6, 2018

VII. Understanding Individual Expenditure Ceilings

Candidates for the Board of Supervisors or Mayor are not subject to a voluntary expenditure ceiling (VEC), which may apply when candidates run for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, the Board of Education for the San Francisco Unified School District or the Governing Board of the San Francisco Community College District. Instead, if candidates for the Board of Supervisors or Mayor participate in the public financing program, they are subject to an individual expenditure ceiling.

Individual Expenditure Ceiling (IEC)

Individual expenditure ceilings apply only to candidates who have been certified as eligible to receive public financing. For all supervisorial candidates seeking public financing, the IEC starts at \$250,000. This means that a candidate for Supervisor cannot spend more than \$250,000 on his or her campaign until the IEC has been raised. The Executive Director of the Ethics Commission will raise the IEC of a certified candidate in increments of \$10,000 when a publicly funded candidate's opponent(s) receive supporting contributions exceeding \$250,000 from: independent expenditures, electioneering communications, or member communications which support the candidate's opponent(s).

These types of supporting contributions are known as *total supportive funds*, and they do not come from the candidate's opponent's campaign committee, but from third parties.

The IEC may be different for each individual candidate and will not be "lifted" in the same manner as a Voluntary Expenditure Ceiling (i.e. removed). The Ethics Commission's Executive Director may raise an IEC may be raised incrementally, but not remove it altogether from a certified publicly-funded candidate. This means that a certified publicly funded candidate will always be bound by an IEC.

Example:

Candidate A

Not a public financing candidate
Has \$240,000 in campaign trust account

Candidate B

Certified public financing candidate
Current IEC: \$250,000
Has \$240,000 in campaign trust account

Third Party Committee

Spends \$20,000 against Candidate B

	Candidate A (not publicly financed)	Third Party Committee	Candidate B (publicly financed)
Total candidate campaign funds	\$240,000	\$20,000 to oppose Candidate B	\$250,000
Initial IEC	N/A	N/A	\$250,000
Total supportive funds	\$260,000		\$250,000
Raised IEC	N/A	N/A	\$260,000

Explanation of the raise in Ceiling for Candidate B:

The Executive Director will adjust the IEC of the candidates as follows:

- For Candidate A, there will be no adjustment because Candidate A is not a publicly financed candidate; thus, A is not subject to an IEC.
- For Candidate B, the Executive Director will add the total supportive funds of Candidate A (\$240,000) to the total opposition spending against B (\$20,000), which equals \$260,000.

Total opposition spending is the total of all expenditures made by a candidate’s opponents to oppose the candidate by the opponents’ independent expenditures, electioneering communications, or member communications which oppose a specific candidate. Total opposition spending does not come from the candidate’s opponent’s campaign committee, but from third parties.) Because the Executive Director can adjust IECs only in increments of \$10,000, s/he will raise Candidate B’s IEC by \$10,000 to \$260,000.

Example:

The Ethics Commission has certified four candidates running to represent District 1 on the Board of Supervisors as eligible to receive public funding. The IEC of each candidate is \$250,000. Reports filed at the Ethics Commission indicate that Candidate Alvin’s total supportive funds (“TSF”) is \$250,000; Candidate Biao’s TSF is \$260,000; Candidate Carlos’s TSF is \$255,000; and Candidate Del’s TSF is \$190,000. The Executive Director will raise the individual expenditure ceilings of Alvin, Carlos and Del to \$260,000; the Executive Director will not raise the individual expenditure ceiling of Biao because no opposing candidate’s TSF exceeds her IEC by at least \$10,000.

	Alvin	Biao	Carlos	Del
Total supportive funds	\$250,000	\$260,000	\$255,000	\$190,000
Initial IEC	\$250,000	\$250,000	\$250,000	\$250,000
Raised IEC	\$260,000	No raise	\$260,000	\$260,000

Example:

Total opposition spending against Biao reaches \$50,000. The Executive Director will adjust Biao’s IEC as follows: add the highest TSF of any opposing candidate (\$255,000) to the total opposition spending against Biao (\$50,000), which equals \$305,000. Because the Executive Director may only adjust the IEC in \$10,000 increments, the Executive Director will adjust Biao’s IEC to \$300,000.

	Alvin	Biao	Carlos	Del
Total supportive funds	\$250,000	\$260,000	\$255,000	\$190,000
Initial IEC	\$250,000	\$250,000	\$250,000	\$250,000
Total oppositional spending	\$0	\$50,000	\$0	\$0
Raised IEC	\$260,000	\$300,000	\$260,000	\$260,000

What happens if you exceed your IEC?

If you receive public funds and you exceed your IEC by 10 percent or more, you must return all public funds received. You are also subject to other enforcement penalties.

VIII. Do you Need a Campaign Contingency Account (CCA)?



It depends. If you are certified as eligible to receive public funds, you cannot have more than your individual expenditure ceiling in your campaign contribution trust account. Because of this limit, you may wish to maintain a campaign contingency account (“CCA”) separate from your campaign contribution trust account. The CCA would then allow you to deposit contributions in anticipation of your individual expenditure ceiling being raised. This CCA account must be established at the same bank as your Campaign Contribution Trust Account. If you open a CCA, you must file *Form SFEC-108* within 10 days of opening the account. Within ten days after the election, a candidate who elected to establish a CCA must submit a money order, certified check or other written instrument prepared by the financial institution, made payable to the Ethics Commission for an amount equal to the amount of funds in his/her campaign contingency account, and submit it to the Ethics Commission along with *Form SFEC-108*.

If you decide to transfer funds from your campaign contingency account into your campaign contribution trust account, you will want to only transfer enough to reach (but not exceed) your individual expenditure ceiling. If you miscalculate and have more than is allowed in your campaign contribution trust account after a transfer from your campaign contingency account, you have only two business days to return the amount over your individual expenditure ceiling back to the campaign contingency account.

Campaign Contingency Account (CCA)

An account separate from a certified candidate’s Campaign Contribution Trust Account (CCTA). A candidate may deposit contributions into this account in anticipation of the candidate’s individual expenditure ceiling being raised.

Trust account limit (TAL)

The amount of funds in your CCTA such that the expenditure of this amount would cause you to reach but not exceed your individual expenditure ceiling. Funds deposited in a CCTA would not be deemed to exceed the TAL if they are transferred from the CCTA to the CCA within two business days of depositing those contributions in the CCTA.

Important points to remember:

- All contributions that you deposit into the CCA must be reported on FPPC Form 460 as if they were deposited into your campaign contribution trust account.
- You may not deposit funds into the CCA if the amount of funds in your CCTA is less than your Trust Account Limit.
- You may not make any expenditures from the CCA.
- You may transfer funds from your CCA to your campaign contribution trust account, provided that the amount of funds in your campaign contribution trust account does not exceed your Trust Account Limit.
- All funds that qualify as matching contributions and that are transferred from your CCA to your campaign contribution trust account will be matched with public funds in accordance with procedures set forth in the law (and described in this guide).
- Within 10 days after the date of the election, you must turn over all funds in your CCA to the Election Campaign Fund.
- If you have unexpended funds in your CCTA 30 days after the date of the election, you must return those funds to the City, up to the amount of public funds you received.

Example:

Joan, a candidate for the Board of Supervisors, has been certified as eligible to receive public funds from the Election Campaign Fund. Joan’s individual expenditure ceiling begins at \$250,000. Joan spends \$30,000. Joan’s trust account limit is now \$220,000.

Individual expenditure ceiling	\$250,000
Campaign expenditures	\$30,000
Maximum Joan can deposit into contribution trust account	\$220,000

Example:

Joan’s individual expenditure ceiling has been raised to \$260,000. Joan has spent a total of \$45,000. Joan’s trust account limit is now \$215,000.

Individual Expenditure Ceiling	\$260,000
Campaign expenditures	\$45,000
Maximum Joan can deposit into contribution trust account	\$215,000

IX. Uses of Public Funds

A candidate must deposit all payments received from the Ethics Commission in the candidate committee campaign contribution trust account. A candidate may use public funds to pay for qualified campaign expenditures and to repay loans used to pay for qualified campaign expenditures.

However, a candidate may **not** use public funds to pay for:

- expenses incurred in connection with an administrative or judicial proceeding,
- to pay administrative, civil or criminal fines, including late filing fines,
- to pay for inaugural activities or officeholder expenses.

Public funds that a certified candidate has not spent (“unexpended funds”) can be used to pay for expenses associated with an audit such as bank fees, treasurer fees and storage fees until the Ethics Commission completes its audit of the candidate.

What is a qualified campaign expenditure?

A **qualified campaign expenditure** is any expenditure that a candidate committee makes for the purpose of influencing or attempting to influence the actions of the voters for the candidate’s election to the Board of Supervisors. A qualified campaign expenditure includes a non-monetary contribution to the candidate committee. It also includes the total cost that your committee actually pays or incurs for a slate mailing or other campaign literature produced or authorized by more than one candidate.

Qualified campaign expenditures do **not** include expenses incurred in connection with an administrative or judicial proceeding, payments for administrative, civil or criminal fines, including late filing fines, or for inaugural activities or officeholder expenses.

X. Recordkeeping

All candidates are required to retain records related to all contributions and expenditures for four years from the date of filing the campaign statement to which they relate, even if the candidate does not participate in the public financing program. Such records are necessary for the preparation of accurate and complete campaign statements.

For your convenience, a list of some of the records your campaign committee should keep is provided below:

- records related to contributions (i.e., deposit slips, deposit receipts, copies of contribution checks, money orders or cashiers/official/travelers checks; documentation of credit card contributions);
- bank statements;
- check registers;
- any other records reflecting a continuous computation of campaign account balances;

- signed, dated, and completed contributor cards for contributions made by cash;
- letters, emails, texts, or other records describing non-monetary contribution and how the value was determined;
- records related to electronic receipts/payments (including debit cards, internet transactions, credit cards, etc.);
- petty cash register and related receipts;
- copies of records related to advertisements, mass mailing, and other outreach communications (i.e., proof and sample of each mass mailing, recording of each television or online ad, transcript of recorded telephone calls made to voters);
- documentation for all expenditures (canceled checks, invoices, receipts, bills, and payment authorizations);
- correspondence (i.e., to/from contributors or vendors)

For more information regarding recordkeeping requirements, you may refer to [FPPC Manual 2](#), Chapter 4 of the FPPC [Political Reform Act](#) and the Ethics Commission’s [Records Required for Audit](#) and [Guidelines for Organizing Records](#). Regardless of whether you seek public funding, you must keep detailed records of your receipts and expenses. Please note that candidates seeking public financing are required to submit records for each contribution that is to be matched with public funds.

As stated earlier, the quality of your campaign’s recordkeeping will directly affect your ability to receive public matching funds. You cannot use public funds for any expenditure that does not have appropriate documentation created at the time of the expenditure.

See Cal. Gov’t Code [§ 84104](#), 2 Cal. Code of Regs. [§ 18401](#) and [SFEC Regulations § 1.142-3](#).

Organize Records from Day 1

Track your contributions by organizing them in deposit batches that are numbered. Keep a list of all contributions (include contributor names, date of contributions, contribution amounts, and deposit batch numbers). Attach this list to the corresponding copies of contribution checks and correspondence (or contributor cards for cash contributions or merchant verification reports for credit card/online contributions). Keep these items with your records for all contributions regardless of whether they are matched with public funds.

XI. After the Election



The Audit

Adopted by San Francisco voters, S. F. Charter [§ C3.699-11\(4\)](#) authorizes the Ethics Commission to conduct [campaign audits](#) of City candidates and committees. The CFRO requires the Ethics Commission to audit all candidates who are certified to receive public funds for compliance with both state and local law. The audits will begin within 60 days after your first post-election campaign report is due. This post-election campaign statement is due on January 31 of the following year.

See S.F. C&GC Code [§ 1.150](#)

What happens if you have funds remaining in your Campaign Contingency Account?

If you have any funds remaining in your campaign contingency account after the election because you reached your trust account limit and were not able to transfer these funds to your campaign contribution trust account, you must turn over these funds to the City. Within ten days after the election, a candidate who elected to establish a CCA must submit a money order, certified check or other written instrument prepared by the financial institution, made payable to the Ethics Commission for an amount equal to the amount of funds in his/her campaign contingency account, and submit it to the Ethics Commission along with [Form SFEC-108](#).

See S.F. C&GC Code [§ 1.108\(b\)](#).

What happens if you have funds remaining in your Campaign Contribution Trust Account?

Unexpended public funds

Funds that remain in your campaign contribution trust account on the 30th day after the election are unexpended funds and must be returned to the City for deposit into the Election Campaign Fund within 30 days of:

- 1) an election;
- 2) your withdrawal from an election;
- 3) your failure to qualify for public funding; or
- 4) the completion of the Ethics Commission's audit of your campaign committee,

whichever event happens the latest.

Unexpended funds include all contributions in your campaign contribution trust account, even if those contributions did not come from public matching funds. Unexpended funds will not total more than the amount of public funds you received. Funds that you raise more than 30 days after an election day do not constitute unexpended public funds and may be used for any lawful purpose.

You may use unexpended funds to pay for expenses associated with an audit such as bank fees, treasurer fees and storage fees until the Commission completes its audit of your committee. The amount of funds you will be required to repay will not exceed the amount of public funds that you received.

See S.F. C&GC Code [§ 1.148\(c\)](#).

Example:

You received \$40,000 in public funds. After the election, you have \$12,000 in unexpended funds. Even though you may believe that some of these funds came from your private contributors, you must repay \$12,000 to the Election Campaign Fund because all funds remaining in the candidate's account on the 30th day after the election are considered unexpended funds regardless of the source of the funds.

XII. Conclusion

As noted above, this supplemental guide is intended to answer the most frequently asked questions about laws applicable to local candidates seeking public funding and is by necessity general. Any specific questions regarding these laws should be directed to the [Ethics Commission](#) at 415.252.3100, the [California Secretary of State](#) at 916.653.6814, the San Francisco [Department of Elections](#) at 415.554.4375 or the [California Fair Political Practices Commission](#) at 866.275.3772.