San Francisco Ethics Commission Contributor Guide

A Guide to Local Laws Governing Campaign Contributions

I. Introduction

The San Francisco Ethics Commission (the “Commission”) was established by the voters in 1993 to administer and implement the provisions of the Charter and City ordinances relating to campaign finance, lobbying, conflicts of interest, and governmental ethics. One of the Commission’s duties is to educate members of the public about local laws governing campaign contributions.

This guide summarizes the local laws applicable to campaign contributions, including contribution limits, who may make contributions to committees, and required reporting by contributors and committees. This guide is for informational purposes only, and does not have the force or effect of law or regulation. For more information, please see San Francisco Campaign and Governmental Conduct Code section 1.100 et seq. and California Government Code section 81000 et seq. and their respective regulations.

The discussion of the campaign finance laws in this guide is necessarily general, to provide readers a basic understanding of the laws. Any specific questions regarding these laws or their application should be directed to the Commission staff at (415) 252-3100. You may also visit the Commission’s website at www.sfethics.org. The website includes general information about the Commission, as well as the laws it enforces.

We hope you find this guide helpful and look forward to assisting you in the future.

II. What is a contribution?

What is a contribution?

A contribution is a monetary or non-monetary payment made to a candidate or committee for which no goods, services, or other consideration of equal value is provided to you in return. CA Gov’t Code § 82015. In San Francisco, a contribution includes a loan of any kind or nature. S.F. Campaign and Governmental Conduct (“C&GC”) Code § 1.104(g).

A contribution includes:
- A payment in the form of money or non-monetary items;
- A loan of any kind or nature;
- Forgiveness of a loan;
- A payment of a loan by a third party;
- An enforceable promise to make a payment for political purposes.

**What is a non-monetary contribution?**

A non-monetary contribution or “in-kind” contribution is a good or service provided to a campaign committee.

Typical non-monetary examples include:

- Food, beverages, flowers, and decorations donated to a campaign committee;
- Printing or mailing costs donated by a printer;
- An expenditure made at the behest of a candidate;
- A discount or rebate that is not generally extended to the public;
- The transfer of anything of value to a campaign committee without full consideration provided in return;
- The reproduction, broadcast, or distribution of any material belonging to a candidate.

**III. Are there limits on contributions?**

Yes. In San Francisco, no person other than a candidate may make, and no campaign treasurer for a candidate committee for City elective office may solicit or accept, any contribution that will cause the total amount contributed by the person to the candidate committee in an election to exceed $500. There are other limits, as set forth below.

**What is a City elective office?**

A City elective office is one of the following offices:

- Mayor,
- Member of the Board of Supervisors,
- City Attorney,
- District Attorney,
- Treasurer,
- Sheriff,
- Assessor/Recorder,
- Public Defender,
- Member of the Board of Education of the San Francisco Unified School District, or
- Member of the Governing Board of the San Francisco Community College District

See C&GC Code § 1.104(d).

**How much may you contribute to a candidate for City elective office?**

You may contribute up to $500 to a candidate for City elective office. This limit applies to monetary and nonmonetary contributions combined.
Is there a limit on contributions to a non-candidate committee?
No. Local law does not limit the amount of contributions you may make to a non-candidate committee.

May you make a contribution in cash?
Yes, as long as the contribution is under $100.00. Campaign committees may accept cash contributions of $99.99 or less. This includes money orders and cashier’s checks. Please note that a campaign committee that receives $100 in a cash contribution may not make change to the contributor so as to bring the contribution down to under $100.

See Gov’t Code § 84300.

May you make a contribution from both your personal and business funds?
It depends. Your total contributions may not exceed the contribution limits.

For the purposes of the contribution limits, contributions from affiliated entities are aggregated. This means that contributions of an entity (such as a business) whose contributions are directed and controlled by an individual are added to the contributions made by that individual and any other entity whose contributions are directed and controlled by the same individual.

Example: Larry Smith is the sole proprietor and 100% owner of Smith Company. Larry contributed $500 from his personal account to Simon Seal, a candidate for Sheriff. Larry received an invitation to Seal’s next fundraiser, which includes a five-course dinner cruise around the bay. Tickets to the fundraiser cost $500. Can Larry use funds from Smith Company’s business account to pay for the ticket to the fundraiser?
Answer: No. Because Larry already donated the maximum amount to Seal from his personal account, neither Larry nor any entity of which he is the majority-owner may contribute any additional money to Seal. Accordingly, because Larry is the sole proprietor and 100% owner of Smith Company, and Smith Company does not act independently in making contribution decisions, neither he nor Smith Company may purchase the ticket to Seal’s fundraiser.

May your child make a contribution?
It depends.

A contribution made by children under the age of 18 is presumed to be a contribution from the child’s parent or guardian, and is counted toward the $500 limit of the parent or guardian.

May you make a contribution from a joint checking account?
Yes.

If you make a contribution with a check that has the names of more than one person printed on it, the contribution will be attributed to the person whose name is printed on the check and who also signed the check.
May you make a loan to a campaign committee?
Loans (other than a candidate’s personal loans) are contributions and are subject to the same limits and disclosure requirements as other types of contributions.

May you make a contribution if you are a contractor with the City?
City law bans persons who are seeking or recently entered into government contracts from making contributions to certain candidates for City elective office. The ban applies when:

1. The City, a state agency on whose board an appointee of a City elective officer serves, the Unified School District, or the Community College District is a party to a contract,
2. The contributor is a party to the contract or is an affiliate (see discussion below) of a party to the contract;
3. The contract or series of contracts in the same fiscal year has a total anticipated or actual value of $100,000 or more in a fiscal year.

If these three conditions are met, then the contributor is prohibited from making a contribution to the candidate. This applies from the time that the contractor submits a proposal to the City to become a party to the contract until either (a) negotiations regarding the proposal terminate (and the contractor is not awarded the City contract), or (b) twelve months have passed since the contract was approved.

Affiliates of a contractor are the entity’s directors, principle officers (including its chairperson, chief executive officer, chief financial officer, chief operating officer, or any similar position), individuals or entities holding a share of the organization of ten percent or greater, and any subcontractor listed on the organization’s bid for a City contract.

See C&GC Code § 1.126.

May a lobbyist make a campaign contribution?
It depends. If you are a lobbyist in San Francisco, you cannot make any contribution to a City elective officer or candidate for City elective office, including the City elective officer’s or candidate’s controlled committees, if you are registered to lobby the agency of the City elective officer or the agency for which the candidate is seeking election or if you have been registered to lobby that agency in the previous 90 days.

Please note that if you have failed to disclose which agencies you attempt to influence, as required by Section 2.110(b), you may not make a contribution to any City elective officer or candidate for City elective office, or any City elective officer’s or candidate’s controlled committees.

The law also prohibits you from delivering or transmitting another person’s contribution to a candidate or committee to which you yourself are prohibited from making a contribution. Also, if you direct or control the contributions of an entity, the contributions of the entity will be aggregated with your own contributions, meaning that the entity is also subject to the restrictions on contributions by lobbyists.
May a for-profit or non-profit corporation make a campaign contribution?
Corporations, whether for profit or not, may not make contributions to candidates for City elective office.

However, a corporation may establish, administer and solicit contributions to a separate segregated fund to be used for political purposes by the corporation; such a fund must comply with the requirements of federal law.

A corporation may make contributions to non-candidate committees.

A Limited Liability Company may make a contribution to a candidate committee if it is taxed as a partnership. Otherwise, the LLC is treated as a corporation and is subject to the ban on contributions by corporations to candidates.

IV. What information must you provide as a contributor?

What information must you provide as a contributor to a campaign committee?
If you contribute $100 or more, you must provide the following information to the committee:

- Your name,
- Your street address,
- Your occupation, and
- Employer information. (If you are self-employed, you must provide the name of your business.)

See CA Gov’t Code § 85700, 2 CA Code of Regs §§ 18401 and 18570.

V. What other important information should you know?

What else must you know when making a contribution?

- It is important that you make contributions only in your name. Contributors may not make contributions in someone else’s name or reimburse another individual for a contribution that they have made. If you are asked to make a contribution in someone else’s name or to be reimbursed for a contribution, please contact the Ethics Commission.
- If your contributions to candidates or ballot measures or other types of committees total $10,000 or more in a calendar year, you must file a Major Donor Committee Campaign Statement (Form 461). The deadline and location for filing this statement will depend upon the timing and type of
contribution(s) you have made. Once you become a major donor, you must file a late contribution report within 24 hours if you make contributions totaling $1,000 or more to a single candidate or committee during the last 90 days before the election.

- If you make contributions totaling $5,000 or more to a ballot measure committee or a committee making independent expenditures and you do so at the behest of an elected City official, you are required to notify the committee of the official’s name and office. The committee is required to disclose this information to the Ethics Commission. See C&GC Code § 1.114.5(b).

VI. Are you subject to penalties if you violate campaign finance rules?

What happens if you violate the law?
If you knowingly or negligently violate a provision of the San Francisco Campaign Finance and Governmental Conduct Code, you may be subject to an administrative enforcement action and monetary penalties up to $5,000 per violation or three times the amount which you failed to report properly or unlawfully contributed, expended, gave or received, whichever is greater.

VII. What if you have additional questions?
As noted, this guide is intended to answer the most frequently asked questions about laws applicable to campaign contributions under local law.

Please do not hesitate to contact the Ethics Commission for advice or information. We can help you avoid mistakes and prevent violations of the law. We can be reached at (415) 252-3100 on Monday-Friday 8 AM – 5 PM except during City holidays, or at ethics.commission@sfgov.org when you need assistance or direction. You can also visit our web site at www.sfethics.org for a host of information.
You may also contact 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.