

INTRODUCTION TO THE SAN FRANCISCO PUBLIC FINANCING PROGRAM

NOVEMBER 3, 2020 ELECTION

Candidates and Treasurers



City & County of San Francisco
Ethics Commission

WWW.SFETHICS.ORG

Introduction

Welcome to the San Francisco Ethics Commission's (the "Commission") introduction to the San Francisco Public Financing Program (the "Program"). This presentation is intended for informative purposes only and is not a prerequisite for or requirement of the Program.

What is the Public Financing Program?

In adopting Prop. O on the November 2000 ballot, San Francisco voters created a voluntary system of limited public financing for candidates to the Board of Supervisors. The program was extended in 2006 to include Mayoral candidates. The program is designed to strengthen the accountability of City candidates to the voters who elect them. Candidates who meet established criteria can qualify to receive limited amounts of public funds for their campaigns and can spend less time fundraising and more time discussing issues important to their constituents. By increasing the importance of relatively small, individual contributions in election campaigns, public financing systems help encourage new and diverse voices among candidates as well as those whom they are elected to represent.

Additional Resources

This presentation only contains general information about the Program. For specific requirements and guidelines, as well as information regarding how to file forms and statements, candidates should consult the following:

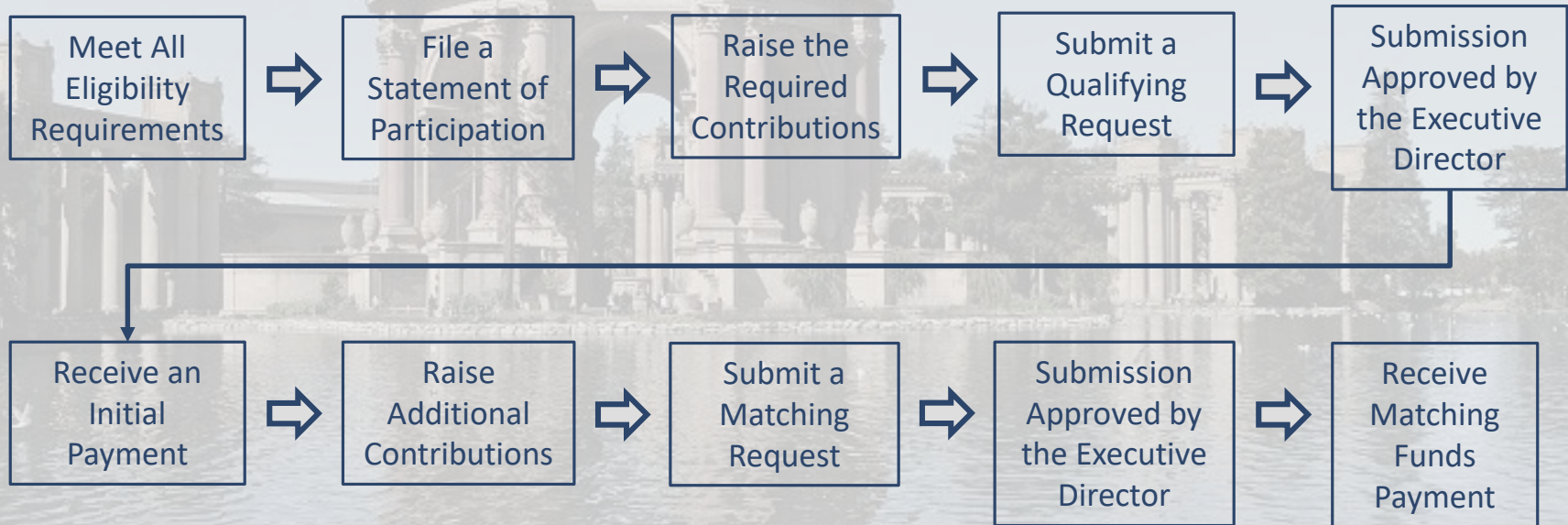
- ❑ The Ethics Commission's Supplemental Guides for Public Financing
- ❑ The Ethics Commission's Candidates' Guide for City Elective Office
- ❑ The Fair Political Practice Commission's Manual 2

These guides are available at the office of the Ethics Commission and online. Specific questions regarding the Program may also be directed to the Commission at (415) 252-3100 or ethics.commission@sfgov.org.

In the event of any conflict or inconsistency between this presentation and the Supplemental Guides or the City's Campaign Finance Reform Ordinance and supporting Regulations, the Supplemental Guides, Ordinance, and Regulations shall control.

How does the Program work?

The general steps a candidate must follow to qualify for and receive public funds are:



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A wide-angle photograph of the San Francisco skyline, featuring the Transamerica Pyramid and the Golden Gate Bridge in the background. A semi-transparent white rectangular box with a dark blue border is centered over the image, containing the text 'PART I' and 'BEFORE APPLYING'.

PART I BEFORE APPLYING

➤ BEFORE APPLYING

▪ Getting Started

- Good Recordkeeping
- Important Dates
- Qualification Requirements

Getting Started with Public Financing

- ❑ Know what you're signing up for: Review applicable laws & rules for the program and for candidates in general
 - Read the Commission's "Supplemental Guides for Public Financing"
 - This Guide provides detailed information regarding eligibility requirements, application procedures, and matching funds.
 - Review the "Laws" section of the Commission's web-site.
 - Additional information can be found on the "Public Financing" section of the Commission's web-site.
- ❑ Participating in the public financing program does not guarantee matching funds will be issued to a candidate
- ❑ Use of public funds is restricted to specific purposes and candidates receiving public funds are subject to expenditure limits.
- ❑ All candidates who receive public funds are subject to mandatory audit

➤ BEFORE APPLYING

- Getting Started
- Good Recordkeeping
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Maintain Good Records

- ❑ Good recordkeeping is critical to your successful participation in the Program. Establish a good system early on!
- ❑ The law requires candidates to retain financial records for four years, even if you do not participate in the public financing program.
- ❑ Committees are expected to maintain a wide range of supporting documents including:
 - Contribution records (i.e. copies of contribution checks, contributor cards);
 - Bank statements, deposit receipts & check registers;
 - Copies of advertisements, mass mailing, and other communications
 - Expenditures records (i.e. canceled checks, electronic payment records, invoices, receipts, bills, and payment authorizations);
- ❑ To receive public funds, candidates must submit the supporting documents maintained for each contribution

S.F. Campaign & Governmental Conduct ("S.F. C&GC") Code [§ 1.109](#); Cal. Gov't Code [§ 84104](#); 2 Cal. Code of Regs. [§ 18401](#).

➤ BEFORE
APPLYING

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Important Dates for Candidates Seeking Public Financing

For the November 3, 2020 election, candidates should be aware of the following dates and deadlines

Date Range for Eligible Qualified Contributions	May 3, 2019 - August, 25, 2020
First Date a Qualifying Request (Form SFEC-142(b)) May be Filed	Monday, February 3, 2020
Deadline to File Statement of Participation (Form SFEC-142(a))	Friday, June 12, 2020
First Date Public Funds Can Be Disbursed	Monday, June 15, 2020
Last Date to File a New Qualifying Request (Form SFEC-142(b))	No later than Tuesday, August 25, 2020
Deadline to Submit Matching Requests (Form SFEC-144(c)/144(d))	5:00 PM on Thursday, December 3, 2020

➤ BEFORE APPLYING

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Candidate Requirements for Public Financing

Some of the requirements a candidate must meet to participate in the Program include:

- ☐ Be eligible to run for and hold the office for the Board of Supervisors or Mayor (Contact the [Department of Elections](#) for requirements);
- ☐ Have filed all forms/statements required for your committee(s);
- ☐ Agree to campaign spending limits (Individual Expenditure Ceiling);
- ☐ Have paid all outstanding fines or penalties owed to the City;
- ☐ Have no prior findings of campaign finance violations (last 5 years).
- ☐ Agree to only accept from yourself and not in excess of \$5,000;

This is only a partial list of requirements. Additional requirements are outlined in the [Supplemental Guides for Public Financing](#). Candidates are responsible for knowing and abiding by all requirements of the Program.

The background image is a faded, high-angle view of a San Francisco street, likely San Francisco's famous 'Painted Ladies' row. The street is lined with colorful, multi-story Victorian houses. In the distance, the Transamerica Pyramid stands out prominently against a cloudy sky. Other skyscrapers of the city are visible in the background. The entire image is framed by a dark blue border.

PART II ESTABLISHING ELIGIBILITY

➤ ESTABLISHING ELIGIBILITY

- Qualifying Request & Contribution List
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Filing the Qualifying Request

Once a candidate has met all other requirements of the Program, they may apply for public financing by submitting a Qualifying Request and Contribution List. This filing must demonstrate the candidate has raised the required number and amount of Qualified Contributions

What is a Qualifying Contribution?

A qualifying contribution is:

- made by an individual who is a San Francisco resident;
- between \$10 - \$100 per contributor (cumulatively);
- received within 18 months prior to the election (May 3, 2019) and no later than the 70th day before the election (August 25, 2020)

For contributions over \$100, only the first \$100 counts towards eligibility.

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Filing the Qualifying Request Cont'd

Proof of contributions raised must be submitted electronically with the Qualifying Request (Form SFEC-142(b)) and must be accompanied by sufficient supporting documentation.

How much do I have to raise in Qualifying Contributions?

	Incumbent	Non-Incumbent
Candidates for Mayor	\$75,000 from at least 750 Contributors	\$50,000 from at least 500 Contributors
Candidates for Board of Supervisors	\$15,000 from at least 150 Contributors	\$10,000 from at least 100 Contributors

Specific information regarding the content of the Qualifying Request can be found in the Commission's Supplemental Guides for Public Financing

➤ ESTABLISHING
ELIGIBILITY

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What is NOT a Qualifying Contribution?

Certain types of transactions do not count as Qualifying Contributions and cannot be used to establish eligibility:

- Loans or non-monetary contributions
- Contributions received from the candidate or his/her immediate family;
- Contributions that are not deposited or posted to the candidate's account or are returned to the contributor; or
- Contributions received in support for election to a different office or to the same office in a different election year.

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Required Information for Qualifying Contributions

In addition to maintaining and reporting the required contribution information (e.g. contributor name, contribution amount & date) your Contribution List must also include:

- address of contributor's primary residence (business, P.O. Box, or other non-residential addresses are not acceptable);
- deposit date and deposit batch number; and
- method of payment (e.g. check, cash, credit card);

Supporting Documentation

Candidates must provide detailed supporting documents/records verifying all contributor and contribution information reported in the Contribution List. Contributions with missing or insufficient supporting documents may not be approved.

Remember: The information contained in your Contribution List (e.g. contributor name and address) must be consistent with the information in your supporting documentation. Maintain complete and organized records from Day 1.

- ESTABLISHING ELIGIBILITY
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Reviewing the Qualifying Request & Contribution List

- ☐ Submissions are reviewed on a “first come, first serve” basis.
- ☐ The Ethics Commission has 30 days to review submissions and determine if the candidate has met all requirements of the program.
- ☐ Incomplete submissions or Requests will be be rejected.

Any supporting documentation not filed electronically with your submission will not be considered or reviewed.

What Happens if You Are Certified Eligible?

- ☐ Candidates determined eligibility to participate will receive an initial payment from the Election Campaign Fund.

Candidates for Mayor	\$300,000
Candidates for Board of Supervisors	\$60,000

Reminder: participation in the program or eligibility determination is not a guarantee or promise of the total amount of funds a candidate will receive

- ESTABLISHING ELIGIBILITY
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What Happens if You are Not Certified?

Candidates may resolve outstanding issues and refile the Qualifying Request, as long as the filing is received no later than the 70th day before the election.

After this deadline, some resubmissions of existing Qualifying Requests may be accepted, but all final determinations for eligibility must be made by the 55th day before the election.

Please consult the Supplemental Guides for Public financing for additional information on refileing and resubmitting the Qualifying Request.

Deadline to Refile a New Qualifying Request	Tuesday, August 25, 2020
Deadline for Executive Director to Make Final Determinations	Wednesday, September 9, 2020

Appeal

Candidates can appeal a final determination by the Executive Director to the Ethics Commission. However, the failure to timely file a required form is not eligible for appeal.

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How Much Can a Candidate Receive?

- ❑ Once eligible, candidates may submit claims for additional public funds using the Matching Request and Contribution List.
- ❑ Matching Requests must include the same information and supporting documents used for the Qualifying Request.
- ❑ Submissions are reviewed on a continuous first come, first served basis, and additional public funds will be matched at a ratio of 6:1.
- ❑ For this election cycle, the maximum allowable matching funds candidates can receive are:

	Non-Incumbent Candidates		Incumbent Candidates	
	Private Contributions	Matching Public Funds (@ 6:1)	Private Contributions	Matching Public Funds (@ 6:1)
Candidates for Mayor	\$150,000	\$900,000	\$147,500	\$885,000
Candidates for Board of Supervisors	\$32,500	\$195,000	\$32,000	\$192,000

S.F. C&GC Code § 1.144; [SFEC Regulation](#) § 1.144-1, 1.144-2, and 1.144-3

A wide-angle photograph of the San Francisco skyline and the Golden Gate Bridge. The bridge's suspension tower is prominent on the left, with traffic visible on the deck. The city skyline, including the Transamerica Pyramid, stretches across the middle ground across the water. The foreground shows the bridge's approach and some greenery.

PART III ELIGIBLE CANDIDATES

➤ ELIGIBLE
CANDIDATES

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- Individual Expenditure Ceilings (IECs)
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24-Hour Notice of Reaching Thresholds

Candidates for Mayor and the Board of Supervisors have additional filing requirements when their contributions (including public financing) or expenditures reach certain levels.

The Initial Threshold Statement

Required for all candidates, whether or not they are participating in Public Financing. Is required within 24-hours of reaching a pre-determined threshold for contributions raised and/or expenditures made.

The Supplemental Statement

Additional filings required within 24-hours of a candidate's contributions or expenditures increasing by a specific amount. Required only for candidates certified eligible for public financing or candidates in a race where at least one opponent has been certified eligible for public financing.

➤ ELIGIBLE CANDIDATES

- Additional Disclosure Requirements

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Individual Expenditure Ceilings

Publicly financed candidates are subject to mandatory expenditure limits, called the Individual Expenditure Ceiling (“IEC”)

- The IEC limit applies to candidates once they are certified as eligible to receive public funds
- The combined total of a candidate’s paid and accrued expenses should not, at any time, exceed their current IEC
- Exceeding your IEC may result in fines and/or repayment of all public funds received.
- An individual candidate’s IEC level can be increased, but cannot be reduced or removed.

A detailed explanation of IEC limits and adjustments, including examples, can be found in the Supplemental Guides for Public Financing.

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Qualified Campaign Expenditures

Public funds may only be used to pay for qualified campaign expenditures and to repay loans used to pay for qualified campaign expenditures

What is a Qualified Campaign Expenditure?

Expenditures that are made for the purpose of furthering a candidate's election campaign such as:

- campaign literature & mailings
- radio/tv ads
- consultants and other professional campaign services.

Non-Qualified Expenditures

Candidate may not use public funds to pay for expenditures that do not further their campaign such as:

- Late filing penalties and administrative fines
- non-campaign related legal fees
- post-election activities (e.g. election parties, consultant/staff bonuses)

Using public funds on these types of expenditures may result in penalties. Candidates can raise private funds to pay for these types of expenses.

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After the Election

Additional Claims for Matching Funds – Candidates may continue to submit claims for Matching Funds up to the 30th day after the election. Even after the election, candidates should only use public funds to pay for qualified campaign expenditures.

Unexpended Public Funds – Any surplus funds remaining in your account on the 30th day after the election will be considered “unexpended public funds” and need to be forfeited to the City at the conclusion of your audit.

Funds Raised After the Election – Candidates may continue to raise private funds after the date of the election. However, only funds raised more than 30 days after the election date would not be subject to the forfeiture above.

Mandatory Audit – All publicly-financed candidates, regardless of the amount of public funds received, will be audited. The audit process will begin within 60 days after your first post-election campaign report is due.