

# INTRODUCTION TO THE SAN FRANCISCO PUBLIC FINANCING PROGRAM

Candidates and Treasurers



City & County of San Francisco  
**Ethics Commission**

[WWW.SFETHICS.ORG](http://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 provides a general overview, is intended for informative purposes only, and is not a prerequisite for or requirement of the Program.

### **What is the Public Financing Program?**

The San Francisco voluntary program of limited public campaign financing for candidates was first established by Proposition O, a ballot measure approved by the voters in November 2000. Prop O established public financing for candidates for the Board of Supervisors, and in 2006 the program was expanded to include Mayoral candidates.

Under the program, candidates for the Office of Mayor and for the Board of Supervisors, who qualify and meet program eligibility requirements, may receive a limited amount of public funds. The program seeks to ensure that candidates with a demonstrated level of community support can secure sufficient resources to mount a viable campaign.

## Additional Resources

Additional information about the public financing program, running for City office, and campaign rules and requirements under the Political Reform Act is available for candidates and treasurers at the resources below.

- ❑ 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

Specific questions may also be directed to the Commission at **(415) 252-3100** or **[ethics.commission@sfgov.org](mailto: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 to qualify for and receive public funds fall into three phases:

### I. BEFORE APPLYING

- Meet all eligibility requirements
- File a “Statement of Participation”
- Raise minimum required contributions
- Organize supporting records for contributions

### II. INITIAL REQUEST

- Submit a “Qualifying Request” with contribution list & supporting records
- Receive approval from Executive Director
- Receive initial grant payment

### III. MATCHING REQUEST

- Raise additional contributions
- Submit the “Matching Request” with contribution list & supporting records
- Receive additional public funds

***Candidates should refer to the Commission’s website for all applicable deadlines and timeframes. Failure to meet a required deadline cannot be appealed and may result in disqualification from participating in the program.***

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- Use of Public Funds
- Post-Election Procedures

A wide-angle photograph of the San Francisco skyline, featuring the Transamerica Pyramid and the Golden Gate Bridge in the background. The image is overlaid with a semi-transparent white rectangle that contains the title text.

# PART I BEFORE APPLYING

## ➤ BEFORE APPLYING

### ■ Getting Started

- Qualification Requirements
- Good Recordkeeping

## Getting Started with Public Financing

- ☐ Candidates should understand what they are signing up for including all applicable campaign laws & rules for the program:
  - Commission's "Supplemental Guides for Public Financing"
  - "Laws" & "Public Financing" sections of the Commission's website
- ☐ There is no guarantee that candidates will qualify for public funds, or how much they will receive.
- ☐ Committees are limited in how they can use public funds and will be subject to overall expenditure limits.
- ☐ All candidates who receive public funds are subject to mandatory audit.



## ➤ BEFORE APPLYING

- Getting Started
- Qualification Requirements
- Good Recordkeeping

### Candidate Requirements for Public Financing

To participate in the public financing program, interested candidates must first meet all qualification requirements of the Department of Elections to appear on the ballot.

Candidates who qualify to appear on the ballot must also meet the following program eligibility requirements:

- Raise a minimum number and total dollar amount of contributions from San Francisco residents.
- Be opposed by a candidate who receives contributions or makes expenditures over a minimum amount.
- Adhere to campaign spending limits.

In addition to the requirements above, candidates must not accept loans from others, abide by limits on the amount of funds they loan/donate to their own campaign, and agree to debate their opponents.



## ➤ BEFORE APPLYING

- Getting Started
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- Good Recordkeeping

### Maintain Good Records

- ❑ Good recordkeeping is critical for any committee. Establish a good system early on!
- ❑ The law requires all records to be kept for four years.
- ❑ Candidates are expected to maintain a wide range of documents related to:
  - Contributions
  - Expenditures
  - Banking
  - Advertisements/communications
- ❑ To receive public funds, candidates must submit supporting documents with their applications.

A faded background image of a San Francisco street scene. The Transamerica Pyramid is the central focus in the background, flanked by other skyscrapers. In the foreground, there are rows of colorful Victorian-style houses (the 'Painted Ladies') and a street with parked cars.

## PART II CERTIFICATION & RECEIVING FUNDS

➤ CERTIFICATION & RECEIVING FUNDS

- Qualifying Request & Contribution List
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**Submitting the Qualifying Request**

To be eligible to receive public funds, candidates must electronically file a “Qualifying Request” (Form SFEC-142(b)) with a contribution list and supporting documentation.

The “Qualifying Request” states that the candidate satisfies all requirements of the program and demonstrates the candidate has raised the required number and amount of Qualified Contributions.

**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

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## Qualifying Contributions

A qualifying contribution is a monetary contribution:

- made by an *individual* who is a San Francisco resident;
- between \$10 - \$100 per contributor (cumulatively); and
- received between 18 months and 70 days before the election.

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

The following are not “qualifying contributions”:

- Loans or non-monetary contributions
- Contributions by the candidate or their immediate family
- Contributions that are not deposited or are returned
- Contributions received for a different election/office or a different election year



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## The Contribution List

The following information must be included in your contribution list:

- Contributor's full name
- Contributor's primary home address
- Date & full amount of contribution
- Deposit date and deposit batch number of contribution
- Method of payment (e.g., check, cash, credit card)

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

➤ CERTIFICATION &  
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Funds

## Supporting Documentation

In addition to the contribution list, the Qualifying Request must include supporting documentation that verifies all contributor/contribution information disclosed in the contribution list.

Supporting documentation must be attached to the Qualifying Request and submitted electronically (no hard copies or separate submissions will be accepted).

***Remember: Information in supporting documents must match information in contribution list. Maintain complete and organized records from Day 1.***

➤ CERTIFICATION & RECEIVING FUNDS

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Reviewing the Qualifying Request & Contribution List

- ❑ Submissions are reviewed on a “first come, first served” basis.
- ❑ Review completed in 30 days.
- ❑ Incomplete submissions may be rejected without review.

***Any supporting documentation not included with the submission will not be considered or reviewed.***

**What Happens if Candidates Are Certified Eligible?**

- ❑ If eligible, candidates will receive the following initial payment amount:

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

***Reminder: There is no promise or guarantee of how much funding a candidate will receive.***

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## What Happens if Candidates are Not Certified “Eligible”?

If notified that their Qualifying Request was not approved, candidates have the following options:

### **Refile**

A candidate can refile a new Qualifying Request with new contributions and/or documentation up to 70 days before the election. No new filings will be accepted after this deadline.

### **Resubmission**

If notified after the 70<sup>th</sup> day deadline, a candidate may be allowed to resubmit the existing Qualifying Request with new documents (but not new contributions). Resubmissions may be accepted up to the 55<sup>th</sup> day before the election.

### **Appeal**

Candidates may appeal final determinations to the Ethics Commission. However, the failure to timely file a required form is not eligible for appeal.



➤ CERTIFICATION & RECEIVING FUNDS

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Receiving Additional Funds

- ❑ Once candidates are eligible, they can receive additional public funds by filing a Matching Request.
- ❑ The Matching Request includes the same information & supporting documents used in the Qualifying Request.
- ❑ Matching Request submissions are reviewed on a continuous first come, first served basis.
- ❑ Additional public funds will be matched at a ratio of 6:1 and the maximum allowable 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

A wide-angle photograph of the San Francisco skyline, featuring the Golden Gate Bridge on the left and the city's skyscrapers in the background. The image is slightly faded to serve as a background for the text.

## PART III AFTER CERTIFICATION

- Additional Disclosure Requirements
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## 24-Hour Notice of Reaching Thresholds

Candidates can have additional filing requirements to report fundraising and/or spending levels.

### **The Initial Threshold Statement**

- ☐ Required for all candidates, regardless of Public Financing.
- ☐ Filed within 24-hours of reaching initial threshold for contributions raised and/or expenditures made (\$10k for Supervisor; \$50k for Mayor).

### **The Supplemental Statement**

- ☐ Required only for candidates: a) receiving public financing; or b) in a race where another candidate is receiving public financing.
- ☐ Filed within 24-hours when a candidate's total funds raised or combined expenditures increase by a specific amount.

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## Individual Expenditure Ceilings

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

- applies to a candidate’s combined total of paid and unpaid expenses;
- can be increased based on activity by opponents and by third-parties; and
- can be adjusted on an individual candidate basis but cannot be reduced or removed.

***Exceeding the IEC may result in fines and/or repayment of all public funds received.***

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 for *qualified campaign expenditures* that further the candidate's campaign such as:

- campaign literature & mailings;
- radio/tv ads; and
- consultants, professional campaign services, campaign staff.

Candidates 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; and
- post-election activities (e.g., election parties, consultant/staff bonuses).

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

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## After the Election

**Additional Submissions for Matching Funds** - Submissions may be accepted up to 30 days after the election. Use of public funds received post-election are still restricted.

**Unexpended Public Funds** - Surplus funds, both private and public funds, in your account on the 30<sup>th</sup> day after the election may be subject to forfeiture to the City.

**Funds Raised After the Election** - Candidates can continue to raise private funds after the election to pay off debt. However, only funds received more than 30 days after the election would not be subject to the forfeiture above.

**Mandatory Audit** - Any candidate receiving public funds, regardless of the amount received, is subject to mandatory audit. The audit process may begin after the first post-election campaign filing deadline.

# Conclusion

Questions regarding this presentation or the public financing program can be asked by following the steps below.

## **For those participating in a “live” presentation**

**By Computer:** select the “raise hand” icon 🖐️ and wait for the host to call your name.

**By Phone:** dial \*3 to “raise hand” and wait for the host to call your name.

## **For those reviewing the presentation online**

Please email your questions to [ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org) and staff will follow up with you.