

**SUPPLEMENTAL GUIDE FOR PUBLIC FINANCING**  
**CANDIDATES FOR BOARD OF SUPERVISORS**  
**NOVEMBER 2024 ELECTION**



**SAN FRANCISCO ETHICS COMMISSION**

25 VAN NESS AVENUE, SUITE 220  
SAN FRANCISCO, CALIFORNIA 94102  
TELEPHONE: 415.252.3100 FACSIMILE: 415.252.3112  
WEB-SITE: <https://sfethics.org>  
EMAIL: [ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org)

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**.

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## I. Introduction

### **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.

Under the program, eligible candidates for the Board of Supervisors may receive up to a maximum of \$255,000 (non-incumbent candidates) or \$252,000 (incumbent candidates).

### **The Supplemental Guide for Public Financing**

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. 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. To the extent this guide conflicts with state or local law, the law controls.

Any specific questions regarding the public financing program should be directed to the San Francisco Ethics Commission (the “Commission”) at (415) 252-3100 or [ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org).

### **Agency Contact Information**

Although the Ethics Commission administers and enforces 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, the California Secretary of State (SOS), the California Fair Political Practices Commission (FPPC), and the San Francisco Department of Elections administer and enforce laws regulating candidates and elections. They may be contacted as follows:

Secretary of State	<a href="http://www.sos.ca.gov">www.sos.ca.gov</a>	(916) 653-6814
FPPC	<a href="http://www.fppc.ca.gov">www.fppc.ca.gov</a>	(866) 275-3772
SF Dept of Elections	<a href="http://www.sfelections.org">www.sfelections.org</a>	(415) 554-4375

## II. What Candidates Need to Know About Public Financing

### General Steps to Qualify for and Receive Public Funds

#### Step 1 – Become an Eligible Candidate

- File all required candidate paperwork with the Department of Elections by the nomination deadline to establish candidacy.
- File the necessary forms with the CA Secretary of State and the Ethics Commission to open a campaign committee.
- Complete the Ethics Commission’s [Candidate & Treasurer Training Program](#).

#### Step 2 – Get Ready to Apply

- Ensure contribution records are complete and well-organized.
- File a declaration of intent to participate in the public financing program.
- Obtain a supplier ID from the Ethics Commission.

#### Step 3 – Prepare The Application

- Reach the minimum fundraising requirement.
- Meet all other requirements of the program.
- Prepare all necessary supporting documentation to be included with submitted contributions.

#### Step 4 – Submit The Application

- File a *Qualifying Request*, contribution list, and all supporting documentation.
- Receive initial payment of public funds once application is approved.

#### Step 5 – Receiving Additional Funds

- Continue to meet all eligibility requirements.
- Submit additional claims for public funds (the *Matching Request* form).

**Important Note:** All forms and documents required under the public financing program must be filed electronically either through the Ethics Commission’s free public filing system, NetFile, or another compatible third-party system. Candidates using the NetFile public filing system should read NetFile’s “Filer Guide,” which provides step-by-step instructions for filing documents not included in this Supplemental Guide. The Filer Guide can be accessed by [creating a NetFile account](#) and, after logging in, clicking “*Help & Support*” and then “*Public Financing*.”

### Getting Started with Public Financing

#### Establish Candidacy and Open a Campaign Committee

Potential candidates must meet all requirements established by the Department of Elections to become a qualified candidate. Individuals interested in running for office should review the Department of Elections’ [candidate resource page](#) on their website. To open a campaign committee and begin accepting contributions, potential candidates must file the FPPC [Form 501 – Candidate Intention Statement](#) and a [Form 410 – Statement of Organization](#) with the Ethics Commission. Additional information regarding running for office can be found in the Ethics Commission’s [Candidates’ Guide for City Elective Office](#).

## Know the Rules of the Program

Candidates and their treasurers are responsible for knowing and adhering to all applicable laws and rules related to the public financing program, as well as state and local laws regarding campaign finance. These laws can be found in the [“Campaign Finance Law”](#) section of the Commission’s website and in the [“Political Reform Act”](#) of the California Fair Political Practice Commission (“FPPC”) website. Additional information can be found on the [“Public Financing Program”](#) page of the Commission’s website and in this Supplemental Guide.

## Before Applying

### Statement of Participation

Prior to submitting their application, all candidates must electronically file a [Statement of Participation or Non-Participation](#) and indicate whether or not they wish to participate by checking the appropriate box. This form must be filed no later than the deadline for filing nomination papers. Contact the Department of Elections to confirm the nomination deadline for the desired office. **New or amended Statement of Participation forms will not be accepted after the deadline. Candidates are encouraged to file the Statement of Participation as early as possible to avoid any technical issues.**

### Supplier ID

To receive payments under the public financing program, all committees must be issued a supplier ID by the Controller’s Office. To receive a supplier ID, candidates must submit to the Ethics Commission a signed and dated IRS Form W-9 that contains the full name, address, and EIN of the committee that will receive payments. Please note, the address provided will be used by the Controller’s Office to disburse payments. Candidates should obtain a supplier ID as soon as possible. All ID requests and IRS Form W-9s should be submitted by email to [ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org). Please do not submit forms/requests directly to the Controller’s Office.

## Prepare and Submit the Application

### Minimum Fundraising Threshold

To be certified as eligible to receive public financing, candidates must submit a *Qualifying Request* that demonstrates they have raised the minimum number and amount of qualifying contributions from San Francisco residents. Non-incumbent candidates must raise \$10,000 from at least 100 individuals and incumbent candidates must raise \$15,000 from at least 150 individuals. Qualifying contributions must be received between **May 5, 2023, and August 27, 2024.**

### 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 (May 5, 2023) and no later than the 70<sup>th</sup> day before the election (August 27, 2024); and
- ✓ supported by appropriate documentation.

### **What if a contributor donates less than \$10?**

If a contributor has donated less than \$10 (cumulatively), their contribution is not a qualifying contribution and cannot be used in the Qualifying Request. However, cumulative contributions under \$10 may be used in the Matching Request.

For contributions greater than \$100, candidates can still submit the contribution in a *Qualifying Request*, but only the first \$100 will count as a qualifying contribution. The remaining balance may be used as a matching contribution in future submissions once certified as eligible.

Qualifying contributions do not include contributions that are:

- × made by an individual who is not a San Francisco resident;
- × made after the 70<sup>th</sup> day before the election or earlier than 18 months prior to the date of the election;
- × loans or nonmonetary contributions;
- × from the candidate or their immediate family;
- × less than \$10 (cumulatively) from a single contributor;
- × made in violation of local or state law;
- × drawn on a business account, including “sole proprietorships”; or
- × not deposited into the candidate’s account, returned to the contributor, or not posted to the candidate’s trust account (e.g., “bounced checks”).

Contributions received to support a candidate’s election to a different office or for a prior election year that were later transferred to their current committee cannot be used as Qualifying Contributions. However, if the contributions were received for a future election, and the candidate redesignates the committee for the current election cycle, contributions that fall within the designated time period may be used as Qualifying Contributions.

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

### **Prepare qualifying contributions for submission**

Ensure there is sufficient supporting documentation for each qualifying contribution included in the application. All supporting documents must be submitted electronically with the *Qualifying Request*. Specific requirements for documentation to be included with each public financing submission can be found under [Submitting a Qualifying Request](#) below.

### **Submit the application**

After candidates have filed their Statement of Participation form and indicated they wish to participate, have raised the minimum required contributions, and have met all other eligibility requirements of the program (described below), candidates can submit a *Qualifying Request* and contribution list. The *Qualifying Request* may not be filed earlier than nine months before the election and must be received no later than the 70<sup>th</sup> day before the election. **Candidates are advised to file the *Qualifying Request* as early as possible to provide ample time to address any issues or technical difficulties with their application.**

### **Additional requirements of the program**

Candidates must continuously meet the following requirements in order to participate in the public financing program:

- 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 who has received contributions and/or made expenditures of \$10,000 or more.
- Agree to a campaign spending limit (“Individual Expenditure Ceiling”) of \$350,000 (amount subject to adjustment by the Ethics Commission).
- Do not accept any loans from third-parties, and do not loan or donate more than \$5,000 in personal funds to the committee.



- Bear the burden of proving that each contribution used to establish eligibility is a qualifying contribution and that expenditures made with public funds were used only for qualified campaign expenditures.
- Do not make any payments to a contractor or vendor in return for the contractor or vendor making a campaign contribution to the committee; and do not make more than fifty total payments to a contractor or vendor who contributed to the committee.
- Agree to participate in at least three debates with opponents.
- Pay any outstanding fines owed to the City by the candidate or any committee for which the candidate was the controlling candidate or treasurer.
- File any outstanding statements, reports, or forms owed to the City by the candidate or any of their campaign committees.
- Have no finding by a court within the past five years that the candidate knowingly, willfully, or intentionally violated CFRO or the campaign finance provisions of the Political Reform Act.

**Important Note:** The rules of the program apply to the candidate’s campaign activities both before and after the date of the election and do not cease at the close of the public financing application period.

See S.F. C&GC Code [§ 1.140](#) and [SFEC Regulations § 1.140-1](#).

### **Special Reporting Requirements: 24-Hour Notification Upon Reaching Activity Thresholds**

Supervisory candidates must file *Threshold Notices* (Form SFEC-152) when their total funds received (including public financing) or total expenditures made (including paid and unpaid expenses) reach activity thresholds.

#### Initial Threshold Notice

Every candidate for the Board of Supervisors must file the *Threshold Notice* once they either receive funds (including loans, nonmonetary contributions, and public financing) that total \$10,000 or more, or make/accrue expenditures that total \$10,000 or more, whichever is greater. The initial *Threshold Notice* must be filed within twenty-four hours of reaching this threshold. All candidates who reach the \$10,000 threshold must file the initial *Threshold Notice* regardless of their public financing status.

#### Supplemental Threshold Notices

If at least one candidate in a supervisory race has been certified as eligible to receive public funds, every other candidate running for the same seat must file a supplemental *Threshold Notice* within twenty-four hours after:

- (1) the candidate has received contributions (including loans, nonmonetary contributions, and public financing) that total \$100,000 or more, or has made expenditures (both accrued and paid) that total \$100,000 or more; and
- (2) thereafter, when the candidate has received additional contributions, or has made additional expenditures, at every increment of \$10,000 (e.g., at \$110,000, \$120,000, \$130,000).

For example, after filing an initial *Threshold Notice* and a *Supplemental Notice* reporting \$105,000 in total funds received, a candidate raises an additional \$21,000 in one day. The candidate must file a new *Threshold Notice* to indicate that they reached the \$120,000 threshold and received \$126,000 in total funds.

**Important Note:** A contribution is *received* on the date the committee obtains possession of the written instrument or cash, not the date it is deposited into the bank account.

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

### **Important Dates for Candidates Seeking Public Financing**

These deadlines are applicable to candidates in the **November 5, 2024, election**. Deadlines cannot be extended, and candidates may not appeal their failure to meet a deadline established under the law.

<b><u>Action</u></b>	<b><u>Applicable Dates</u></b>
File Statement of Participation - Form SFEC-142(a)	By Friday, June 14, 2024*
Receive Eligible Qualifying Contributions	Friday, May 5, 2023 - Tuesday, August 27, 2024
File (or Refile) Qualifying Request - Form SFEC-142(b)	Monday, February 5, 2024 - Tuesday, August 27, 2024
Disburse Public Funds	No earlier than Monday, June 17, 2024
Resubmit Qualifying Request - Form SFEC-142(b)	By Friday, September 6, 2024
Certify Candidate Eligibility	By Wednesday, September 11, 2024
Submit Matching Requests - Form SFEC-144(c)/144(d)	By Thursday, December 5, 2024, 5:00 p.m.

*\*Note: This date may be adjusted to match any changes to the nomination period made by the Department of Elections.*

## **III. Recordkeeping**

### **Maintain a System of Recordkeeping**

Even before applying for public financing, it is vital that candidates implement a good system of recordkeeping for all financial activity by their committee. Such records are necessary for the preparation of accurate and complete campaign statements and must be submitted in the event the candidate is audited.

**Important Note:** All publicly financed candidates are subject to mandatory audits. Whatever method is used to organize records should be consistently used from Day 1. It will be easier to maintain a consistent system throughout the election rather than create or implement a new system in the middle of a campaign.

Keeping good records from the start will also help candidates in applying for public financing because, as described below, candidates must submit supporting documentation for each contribution that is included in a public financing submission. Candidates and treasurers are required to retain records related to all reported campaign activity for four years from the date of filing campaign statements, regardless of whether or not they seek or receive public funds.

### **Types of Records to Maintain**

The list below outlines some of the types of documents and records committees are expected to maintain:

- Records related to contributions (e.g., deposit slips/receipts, copies of contribution checks, documentation of credit card contributions);
- Banking records (e.g., statements, check registers, A/R reports);
- Completed contributor cards and correspondence with contributors related to reported information;
- Letters, emails, texts, or other records describing nonmonetary contributions and how the value was determined;
- Documentation for all expenditures (e.g., canceled checks, electronic payments, invoices, receipts, bills, and payment authorizations);
- Petty cash register and related receipts;
- Copies of mass mailings and similar communications.

For more information regarding recordkeeping requirements, candidates may refer to [FPPC Manual 2](#), Chapter 4 of the FPPC [Political Reform Act](#), and the Ethics Commission's [Audit Records and Guidelines for Organizing Records](#).

See *Cal. Gov't Code § 84104*, *2 Cal. Code of Regs. § 18401*, *S.F. C&GC Code § 1.109*, and *SFEC Regulations § 1.142-3*.

## **Supporting Documentation**

While the specific types of records submitted can vary depending on your recordkeeping practices, the supporting documents you submit with your contributions should demonstrate the following: (1) the contribution was received by the committee; (2) the contribution was deposited into the committee's campaign account; and (3) the contribution was received from an individual who is a San Francisco resident.

Each contribution included in a public financing submission must be accompanied by supporting documentation. Supporting records should be organized by deposit dates/batches and attached to the corresponding contribution (not as one single file). Committees may not rely on supporting documentation (e.g., deposit records) that were filed with a prior submission, but not included in the current submission. You are encouraged to contact Commission staff if you have questions about your supporting documents *before* submitting your Qualifying Request.

### **Contributions Made by Check**

#### Receipt

To prove that a check contribution was received, provide a copy of the check attached to the contribution entry in the public financing submission.

#### Deposit

To demonstrate that a check contribution was deposited into the committee's bank account, provide a document produced by the committee's bank showing the deposit and a "deposit batch list" that includes all contributions included in that deposit. The bank document verifying deposit can be a bank statement or a deposit receipt. (See "[Deposit Batch Lists & Batch Numbers](#)" below for instructions on how to create a batch list.) The deposit record and batch list must be attached to at least one contribution from that deposit, however, Committees are encouraged to attach deposit records to each contribution included in every Qualifying or *Matching Request*.

## Residency

If the contributor's correct name and current San Francisco residential address are pre-printed on the check, the Commission will accept the information as proof of San Francisco residency. If the address is not pre-printed on the check or is out-of-date, candidates must provide separate proof of residency, as described in detail under "[Supporting Documentation for Proving San Francisco Residency](#)" below.

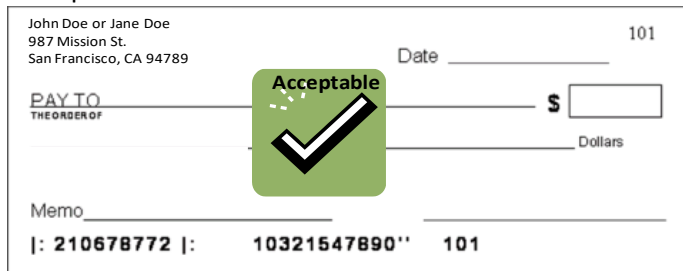
## Special Considerations for Check Contributions

**One Check from Two Accountholders:** If a check contribution is drawn from an account with two accountholders (i.e., a check with two names on it), the accountholder who signs the check is considered the "contributor" and 100% of the contribution should be attributed to the signee. If the contribution is intended to be divided between both accountholders, either: (a) both accountholders should sign the check and the contribution is attributed 50/50; or (b) the accountholders must provide a signed statement identifying how the contribution should be attributed.

See [2 Cal. Code of Regs § 18533](#).

**Checks Drawn on Business Accounts:** Checks drawn on business accounts, including accounts for "sole proprietorship" entities, are not eligible for matching funds and cannot be included in a *Qualifying or Matching Request*. All qualifying contributions must be donated from an individual's personal account, not from a business account.

## Examples:



This image shows a check from John Doe or Jane Doe, 987 Mission St., San Francisco, CA 94789. The check is marked "Acceptable" with a green checkmark icon. The payee is blank, and the amount is in a box. The date is blank. The check number is 101. The routing number is 210678772 and the account number is 10321547890. The check is payable in Dollars.



This image shows a check from Jane Doe Hardware or Jane Doe, Inc., 123 Mission St., San Francisco, CA 94987. The check is marked "Not Acceptable" with a red X icon. The payee is blank, and the amount is in a box. The date is blank. The check number is 0608. The routing number is 000608 and the account number is 0000001051111133330. The check is payable in Dollars.

See [SFEC Regulations 1.104-1, 1.104-2](#).

## **Contributions Made by Credit Card**

### Receipt

To show a credit card contribution was received, in addition to a transaction receipt, committees must provide a transaction report from their credit card processing vendor listing all transactions processed. **Vendor reports must be sent directly to the Ethics Commission ([ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org)) and should not be included as an attachment to the submission.** The "vendor report" must include the following:

- Contributor's full name
- Amount of and processing date for contribution

- Contributor’s address
- Card type, expiration date, and last-4 digits
- Date of transfer to committee and either transaction number (for electronic payments) or check number (for check payments)
- All credit card refunds processed by the vendor

Candidates or their committees may contact the Ethics Commission to review whether their credit card vendor report fulfills supporting documentation requirements prior to submitting a *Qualifying Request* or *Matching Request*.

### Deposit

To prove that a credit card contribution was deposited into the committee’s bank account, provide:

- the vendor report described above showing that the contribution was transferred to the committee by check or electronic transfer and identifying the date of transfer (and any identifying information such as check number, transaction ID);
- a statement or receipt from the committee’s bank indicating that the check or electronic transfer from the credit card vendor was deposited into the committee’s account; and
- if the credit card contribution was transferred to the committee by the vendor through a check, a copy of the check.

If credit card contributions are electronically transferred to the committee, and the vendor report clearly identifies the transfer batches (i.e., the contributions included in each transfer, date of transfer, transfer ID/receipt number), a separate deposit batch list is not necessary. If the vendor report does not include this information, or funds are transferred by check, candidates will also need to submit a batch list indicating which contributions were included in the deposit.

### Residency

In order to demonstrate a contributor is a San Francisco resident using the vendor report, the committee may rely on the AVS system if the following is true:

- AVS information in a vendor report confirms the address provided matches the billing address on file;
- City records show this address is a San Francisco residential address; and
- This address matches the contributor address listed in the *Qualifying Request* or *Matching Request*.

If an address is not verified by AVS, AVS information is not available, the AVS-confirmed billing address is not a residential address, or the confirmed address in the vendor report does not match the contributor address in the *Qualifying Request* or *Matching Request*, then the committee will be required to provide separate documentation to verify the contributor’s San Francisco residency. See [“Supporting Documentation for Proving San Francisco Residency.”](#)

### Special Considerations for Credit Card Contributions

**Address Verification Service (AVS):** Though not required, committees are strongly encouraged to include the Address Verification Service (“AVS”) codes in the transaction report. The AVS system is used by credit card processors to verify that the address provided by a person using the credit card is the billing address listed for the credit card account and is used by Commission staff to verify a contributor’s residency status.

**One Card Used for Multiple Contributions:** If the transaction report indicates a single credit card (identified by last-4 digits and expiration date) was potentially used to process multiple contributions from different contributors, the committee may be asked to provide additional documentation demonstrating the source of funds used matches the contributor identified. If the committee cannot reasonably demonstrate this, these contributions may not be approved.

**Candidates are encouraged to contact the Ethics Commission with any questions regarding the committee’s process for accepting credit card contributions.**

### Contributions Made by Cash

Methods of payment that are considered “cash” include:

- Paper Money/Coins
- Money Order
- Cashier’s or Traveler’s Check
- Postal Money Order

#### Limits on Accepting Cash Contributions

Cash contributions of \$100 are prohibited under City law. Committees may not give change to a contributor who donates \$100 in cash or “refund” any amount over the limit on cash contributions (i.e., give \$5 back in exchange for a \$100 cashier’s check). Committees may also not accept smaller cash contributions that, in aggregate, equal or exceed \$100 (e.g., five separate cash contributions of \$20 each would violate the law).

### Receipt

To prove that a cash contribution was received, candidates must provide a contributor card that was completed, signed, and dated by the contributor at the time the contribution was made. Contributor cards are discussed in greater detail below. (Please note that a contributor card will only establish that the contribution was received.)

### Deposit

To prove that a cash contribution was deposited into the committee’s bank account, candidates must submit both a deposit batch list and a document produced by the committee’s bank verifying the deposit of that batch. Refer to the instructions above for check contribution deposits, which explain the requirements regarding bank statements or receipts and batch lists. These requirements also apply to cash contributions. Also refer to the “Deposit Batch Lists & Batch Numbers” section below for more information about batch lists.

### Residency

To prove the residency of a cash contributor, candidates should follow the instructions under “[Supporting Documentation for Proving San Francisco Residency.](#)”

### Contributor Cards

A contributor card is a form that an individual fills out to provide the committee required contributor information. Contributor cards are mandatory for all cash contributions, however, candidates are encouraged to obtain a contributor card whenever possible (e.g., check or credit card contributions). **Important Note: If any portion of the contributor card is completed by a representative of the committee, the committee should note which portions were completed and how that information was obtained.**

The committee may use any style or format for a contributor card, but at a minimum the form must clearly identify the committee’s full name and FPPC ID number. Additional information regarding the solicitation of contributions and a sample contributor card is available on the Commission’s [website](#). Committees are encouraged to contact the Ethics Commission with questions regarding their contributor information cards.

## Supporting Documentation for Proving San Francisco Residency

Only contributions from City residents may be used to receive public funds. Therefore, in addition to providing supporting documentation regarding the receipt and deposit of contributions, candidates must also provide documentation demonstrating that contributors are residents of San Francisco. The committee can provide any of the following to demonstrate residency:

- (1) Contributor uses a San Francisco residential address as the address on any bank account or any account with a financial institution, through the submission of copies of **recent bank statements, personal checks, or Address Verification Service information** listing the account holder's address;
- (2) Contributor uses a San Francisco residential address as a billing address, through the submission of copies of **recent credit card or utility bills**;
- (3) Contributor lives at a San Francisco address, through the submission of copies of a **current deed or lease**;
- (4) Contributor uses a San Francisco residential address as a mailing address, through the submission of copies of **recent mail** received by the contributor;
- (5) Contributor is currently **registered to vote in San Francisco**;
- (6) Contributor has represented to a government agency that he or she lives at a San Francisco address, through the submission of copies of a **driver's license, passport, government-issued identification card, or tax returns**.

Addresses that are post office box facilities, office/business addresses, or any other non-residential address will not be accepted even if these addresses were listed in one of the documents from above. Supporting documentation for residency must show the contributor's name and primary residential address and must be current and valid at the time of the contribution (e.g., an expired driver's license or utility bill from 4 months after the date of contribution will not be accepted). In the case of voter registration, candidates must provide the contributor's unique San Francisco voter ID (the number assigned by the Department of Elections to registered voters). The Ethics Commission is unable to verify voter registration information on file with the Secretary of State or other agency.

**Please note:** All contributor information included in the Contributor List (e.g., residential address, contributor name) must match the supporting documentation provided. Any discrepancies or inconsistencies may result in the contribution not being approved for public funds.

See [SFEC Regulations 1.142-3](#).

### **HELPFUL TIPS:**

Collecting residency documentation such as leases, credit card bills, or driver's licenses can be difficult and time consuming if requested after the contribution has been made. Try to ensure that, at the time a contribution is received, documentation to prove the contributor's San Francisco residency is collected. To help, here are some methods for proving residency:

- For credit card contributions, check the credit card processor's vendor report frequently and check to see if the AVS check shows a confirmed San Francisco residential address. If it does not, follow up with the contributor right away to seek one of the other forms of proof of residency listed above.
- For check contributions, confirm if a San Francisco address is pre-printed on the check. If it is not, ask the contributor at that time to provide the committee with another form of proof of residency.

- For any contribution that is not (a) a credit card contribution with an AVS-confirmed address, or (b) a check contribution with a pre-printed address, ask if they are registered to vote in San Francisco. If so, obtain the contributor’s voter registration number and include it in the *Qualifying Request*.
- **AVS address confirmation, pre-printed addresses on checks, and voter registration are the most common ways to prove contributor residency.**

**Example:**

On August 8, Larry contributes \$75 in cash. Because this is a cash contribution, Larry must provide a signed and dated contributor card that includes his name, address, date and amount of contribution, and any other information the committee is required to maintain. For proof of San Francisco residency, Larry provides a San Francisco voter registration number. In the public financing submission that includes Larry’s contribution, supporting documentation must include Larry’s completed contributor card, voter registration information, and proof of deposit (e.g., bank deposit receipt and deposit batch list).

**Example:**

Jane contributes \$60 on August 5 with a personal check that does not show her residential address. To prove that her current residential address is in San Francisco, she provides a copy of her driver’s license. When preparing a *Qualifying Request* or *Matching Request* that includes Jane’s contribution, supporting documentation must include a copy of the check, a copy of Jane’s driver’s license, and, to show that the contribution was deposited, proof of deposit (e.g., bank deposit receipt and deposit batch list).

**Example:**

Peter contributes \$100 with a personal check with a pre-printed address and a contributor card that indicates his current residential address is different from what is printed on his check. Peter provides a copy of a residential utility bill with a billing address that matches his contributor card. When preparing a *Qualifying Request* or *Matching Request* that includes Peter’s contribution, supporting documentation must include a copy of the check, the completed contributor card, and the utility bill. To show that the contribution was deposited, include proof of deposit (e.g., deposit receipt and batch list).

**Deposit Batch Lists & Batch Numbers**

Each time the committee deposits cash or checks into its bank account, the cumulative deposit is called a “batch.” Committees must assign each batch a unique “batch number,” and list the batch number for each contribution in the contribution list. Committees may use any batch numbering system as long as it is used consistently for all deposits. In addition to numbering deposit batches, committees must maintain itemized lists of all contributions in each deposit, regardless of whether the contribution(s) will be used for the public financing program.

For example, the committee deposits three checks and cash on June 6, 2019, and this batch is numbered “2019.06.06.” The deposit batch list may look like this:

<b><u>Batch 2019.06.06 – Deposited June 6, 2019</u></b>	
1. Bob Jones	\$100.00 (check)
2. Joe Smith	\$500.00 (check)
3. Jane Smith	\$500.00 (check)
4. Tom Alvarez	\$50.00 (cash)
<b>Batch Total:</b>	<b>\$1,150.00</b>



If any of the contributions from this deposit batch are included in a *Qualifying Request* or *Matching Request*, batch number “2019.06.06” must be included with the contribution information. Additionally, committees must attach the batch list of all contributions that were included in this deposit batch.

If the committee accepts contributions through a credit card vendor, and funds are transferred to the committee either by a check received or electronic transfer, committees should record these contributions in numbered batches. It is recommended that a unique batch numbering sequence is used for electronic transfers to keep them separate from check/cash deposits. This will make it easier to quickly identify which types of contributions are included in each deposit.

Using the June 6, 2019 deposit example above, in addition to the individual contributions, the committee also received a check from the credit card vendor for three contributions totaling \$1,500. This check can be included with the checks and cash listed above in a single batch. The deposit batch list might look like this:

<b>Batch 2019.06.06 – Deposited June 6, 2019</b>		
1.	Bob Jones	\$100.00 (check)
2.	Joe Smith	\$500.00 (check)
3.	Jane Smith	\$500.00 (check)
4.	Tom Alvarez	\$50.00 (cash)
5.	Fred Lee	\$500.00 (credit card)
6.	Jose Rodriguez	\$500.00 (credit card)
7.	Alice Howard	\$500.00 (credit card)
	<b>Batch Total:</b>	<b>\$3,150.00</b>

## IV. Submitting a Qualifying Request

In order to establish eligibility to receive public funds, in addition to meeting all other requirements of the program, candidates must submit a *Qualifying Request* with a contribution list and supporting documentation. The *Qualifying Request*, contribution list, and supporting documentation *must* be submitted electronically using the Commission’s [free electronic filing system](#). When preparing the *Qualifying Request*, candidates will need to identify qualifying contributions **totaling at least \$10,000 (or \$15,000 for incumbents)** from at least **100 unique contributors (or 150 contributors for incumbents)**.

### How many contributions should I include on a *Qualifying Request*?

As noted above, non-incumbent supervisorial candidates must demonstrate they have raised \$10,000 from at least 100 contributors, and incumbent candidates must demonstrate they have raised \$15,000 from at least 150 contributors. As there is always the chance that not all contributions included in the *Qualifying Request* will be approved, candidates are encouraged to submit more than the minimum required to improve the chances their *Qualifying Request* is approved.

## **Required Information for Qualifying Contributions**

When completing a *Qualifying Request* and contribution list, candidates must provide the following information for each contribution:

- Name of contributor
- Address of contributor's primary residence (business, P.O. Box, or other non-residential addresses are not acceptable)
- Amount of qualifying contribution and the date it was received
- Deposit date and deposit batch number
- Method of payment
- Occupation and employer information if the cumulative amount that was received from the contributor for the calendar year is \$100 or more

See [SFEC Regulations 1.142-2\(c\) and 1.142-3\(a\)](#).

## **What Supporting Documentation is Needed?**

As noted above, the type of supporting documents needed will vary depending on the contribution payment method. At a minimum, for each contribution included on a *Qualifying Request* there should be sufficient supporting documentation to establish:

- (1) the **contribution was received** by the committee;
- (2) the **contribution was deposited** into the committee's bank account; and
- (3) the **contributor is a resident of the City & County of San Francisco**.

When preparing the *Qualifying Request* in NetFile, or other electronic filing system, supporting documentation ***must be attached to the specific contribution entry it relates to***. (Please refer to the NetFile Filer Guide for further instructions on how to attach supporting documentation.) The only exception is the credit card transaction report that must be sent directly to the Ethics Commission by the committee's credit card vendor (see "[Contributions Made by Credit Card](#)" above). Any supporting documentation that is not filed electronically with the candidate's submission will not be considered or reviewed. Ethics Commission staff review each submission on its own standing and will not reopen prior submissions to review previously submitted supporting documentation.

***Please note: The contributor information contained in the Qualifying or Matching request must match the information in the supporting documentation. Any discrepancies or inconsistencies may result in a contribution being rejected, including instances where the contributor's name or address have changed.***

See *S.F. C&GC Code § 1.109* and [SFEC Regulations 1.104-2 and 1.142-3](#).

## **V. Review of Application**

Once the Commission has determined that a candidate meets all other requirements for the program, the candidate's *Qualifying Request*, contribution list, and supporting documentation will be reviewed to determine if the candidate meets the minimum fundraising requirement. The Executive Director may audit committee records and take whatever steps they deem necessary to determine eligibility. At any time prior to the Executive Director making a final

determination regarding a candidate's current submission, the candidate may notify the Commission of their intent to withdraw and refile the *Qualifying Request* (see "Refiling" under "[What happens if candidates are not certified?](#)" below).

See S.F. C&GC Code [§ 1.142\(c\)](#).

### **What happens when a candidate is certified as eligible to receive public financing?**

If the Executive Director determines that a candidate has satisfied all the requirements described above (and detailed in [Section 1.140](#) of the CFRO), they will notify the candidate and certify to the Controller that the candidate is eligible to receive public funds. The Executive Director will make their determination within 30 days from the date the *Qualifying Request* is filed, provided that all determinations are made by the 55<sup>th</sup> day before the election. The Executive Director may conditionally certify a candidate if they satisfy all the requirements of Section 1.140 but are not yet opposed by a qualified candidate who is eligible to receive public financing or who has received contributions or made expenditures that equal or exceed \$10,000.

***Reminder: All payments of public funds must be deposited into the campaign contribution trust account of the candidate's election committee.***

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

### **What happens if candidates are not certified?**

If the Executive Director determines the *Qualifying Request* is incomplete or otherwise inadequate to establish eligibility, candidates will receive written notification that the submission was rejected and candidates will not be certified. If the *Qualifying Request* is not approved, candidates may be able to refile or resubmit the *Qualifying Request*, as described below.

#### **Refiling**

Up to the 70<sup>th</sup> day before the election, a candidate may refile their *Qualifying Request*. This refiling may include qualifying contributions and supporting documentation not included in previously submitted requests. Before refiling a *Qualifying Request*, candidates must notify the Ethics Commission in writing (email is acceptable) that they intend to withdraw the current *Qualifying Request* and refile a new *Qualifying Request*. Candidates may continue to withdraw and refile new *Qualifying Requests* provided that no refiling is submitted after the 70<sup>th</sup> day before the election.

#### **Resubmission**

After the 70<sup>th</sup> day before the election, if a candidate is notified their *Qualifying Request* has been rejected, a candidate may only resubmit their *Qualifying Request*. This resubmission must be filed within five business days from the date of notification, provided that all resubmissions are filed by the 60<sup>th</sup> day before the election. The resubmission may not include new qualifying contributions not previously submitted, but may include additional supporting documentation. Additional resubmissions may be permitted at the Executive Director's discretion, provided that no resubmission is filed later than the 60<sup>th</sup> day before the election. If candidates do not resubmit by the deadline, or if no resubmissions are permitted, the Executive Director's decision is final.

#### **Appeal to the Ethics Commission**

If the Executive Director makes a final determination that a candidate's timely filed *Qualifying Request* fails to establish eligibility for public financing, the candidate may appeal the determination to the Ethics Commission. The candidate must deliver the written appeal to the Ethics Commission within five calendar

days of notification of the Executive Director’s final determination. A candidate who has failed to timely file a Statement of Participation or *Qualifying Request* may not appeal his or her failure to meet a deadline to the Commission.

See S.F. C&GC Code [§ 1.142\(g\)](#); *SFEC Regulations* § 1.142-6.

### **What if a candidate withdraws or fails to qualify to appear on the ballot?**

If a candidate withdraws or fails to qualify to appear on the ballot in the election for which the public funds were provided, they will immediately be deemed ineligible to receive public funds and any submission pending or under review will be automatically rejected. If the candidate was previously approved and received public funds, they must repay to the Election Campaign Fund the full sum of public funds received. In addition, individuals who cease to be qualified candidates must do any of the following with the balance of funds remaining in their account: (1) return contributions to donors on a last-in, first-out basis; (2) donate contributions to the City or a charitable organization; or (3) pay outstanding campaign debts or expenses associated with terminating a committee.

See S.F. C&GC Code [§ 1.122\(b\)](#) and [1.148\(b\)](#).

### **What if a contribution in the *Qualifying Request* is returned or forfeited?**

If the committee returns to contributors or forfeits to the City any amount of a contribution approved in the *Qualifying Request*, candidates should immediately notify the Ethics Commission of the contribution(s) in question. Candidates may be required to submit a *Matching Request* (see “[Submitting a Matching Request](#)” below) with “replacement” contributions that meet the requirements of qualifying contributions and equal the amount of contributions that were returned or forfeited. Additional matching funds will not be disbursed until a candidate resolves all matched contributions that were returned or forfeited. If a candidate cannot submit a sufficient amount of qualifying contributions to be used as replacements, , the candidate may be required to forfeit funds equal to the amount of public funds matched to the returned or forfeited contributions.

Forfeited contributions or public funds may be submitted to the Ethics Commission either by mail with a memo indicating the reason for forfeiture (including an itemized list of forfeited contributions) or electronically using the [Online Late Fee Payment System](#) (Select fee type: Remittance).

## **VI. Disbursement of Public Funds**

The Ethics Commission will notify the Controller’s Office in writing of all payments owed to candidates under the City’s public financing program. The Controller will disburse payments to candidates in accordance with the determinations made by the Executive Director. ***Prior to the disbursement of any public funds, committees must submit a “Statement of Understanding Regarding Audits” signed and dated by the candidate and the committee.***

### **How much public funding will candidates receive initially?**

Once the *Qualifying Request* is approved, and candidates are certified as eligible to receive public funds, the Commission will direct the Controller’s Office to disburse an initial grant of **\$60,000** to the candidate’s committee. Additional funds may be disbursed based on the submission of a *Matching Request*.

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

## **When will candidates receive public funds?**

The earliest date public funds can be disbursed to candidates is the 142<sup>nd</sup> day before the date of the election. For the November 2024 election, this is **Monday, June 17<sup>th</sup>, 2024**. If a candidate is certified as eligible for public financing before this date, the Controller's Office will disburse funds on this date. Candidates certified as eligible to receive public financing will have access to funds from the Election Campaign Fund on a first-come, first-served basis.

## **How will candidates receive public funds?**

The Controller's Office is responsible for issuing public financing payments to all eligible candidates. Authorized payments are disbursed to eligible candidates within two business days, except during the 15 days preceding the election date, when payments will be disbursed within 24 hours.

### **Payments Issued by Check**

Check payments are processed and disbursed by the City Controller's Office. Checks will be sent by standard mail to the address listed in the IRS Form W-9 submitted by the committee to obtain the supplier ID. It is important that committees list an address that can receive mail and is regularly checked.

### **Payments Issued by Electronic Transfer (ACH)**

Committees may also be eligible to receive payments by electronic transfer (ACH). Please visit the [Electronic Payments to Vendor](#) page on the Controller's website to register the committee as a vendor using the assigned supplier ID number. Please note that establishing eligibility for electronic payments can take time, and processing payments may take an additional one to two business days. Any candidate interested in electronic payments is strongly encouraged to obtain a supplier ID and apply for electronic payments as early as possible. Because electronic payments are managed by a third-party vendor, Ethics Commission and Controller's Office staff are unable to provide any assistance with the enrollment process or provide updates on the status of payments issued.

*See S.F. C&GC Code § 1.144(a) & (d).*

## **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 or keep, and candidates must continue to meet all eligibility requirements of the public financing program. The Commission may conduct internal reviews to help ensure accountability in the administration of the program. If it is determined that payments to the candidate were in excess, or that a candidate is no longer eligible to receive public funds, the Ethics Commission will notify the Controller and the candidate. In addition to any other penalties, the candidate may be required to repay to the City a portion of, or all, public funds received.

## **VII. Uses of Public Funds**

All public financing payments received from the City and County of San Francisco must be deposited into the committee's 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.

## **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. Qualified campaign expenses also include administrative and overhead costs such as consultant and treasurer fees, and costs associated with operating a campaign office.

### **Examples of Qualified Campaign Expenditures:**

- Printed literature, mailings, and other campaign ads/communications
- Campaign consultant fees and expenses
- Rent and utility expenses for a campaign office (up to 30 days after the election date)
- Staffing expenses related to campaign activities

Public funds that remain in a candidate's account after the election date can be used to pay for a limited range of expenses associated with an audit such as bank fees and expenses related to the audit and the filing of post-election campaign disclosure reports (see "[After The Election](#)" section below).

## **What are Non-Qualified Campaign Expenditures?**

There are several types of expenditures a candidate may **not** use public funds to pay for and instead must use private contributions or loans. These include (but are not limited to):

- Expenses incurred in connection with an administrative or judicial proceeding.
- Expenses to pay administrative, civil or criminal fines, including late filing fines.
- Expenses to pay for inaugural activities or officeholder expenses after the election date.
- Costs incurred after the election date that did not directly affect the outcome of the election.

**Remember:** If a candidate uses any portion of a loan to pay for non-qualified campaign expenditures, that portion of the loan may not be repaid with public funds.

### **What happens if I use public funds on non-qualified campaign expenditures?**

If the Ethics Commission determines that a candidate used any amount of public funds for something other than qualified campaign expenditures, the candidate shall pay to the Ethics Commission an amount equal to the improper expenditure.

See S.F. C&GC Code [§ 1.104](#) & [1.148](#); [SFEC Regulations § 1.148-1](#).

## **VIII. Submitting a Matching Request**

Once certified as eligible to receive public financing, candidates are eligible to make claims for additional public funds through the submission of a Matching Request. The amount of funds a candidate can receive is dependent on the amount of additional contributions the candidate submits. There is no limit on the number of Matching Requests a candidate can submit, but the deadline to submit claims is 5:00 pm on the 30<sup>th</sup> day after the election.

## **What is a matching contribution?**

Matching Contributions are contributions that meet the following:

- ✓ In aggregate do not exceed \$150 from a single source, including contributions approved in prior submissions;
- ✓ Has not already been matched for public funds (Example: If a \$50 contribution was approved in the *Qualifying Request*, it may not be used again in a *Matching Request*);
- ✓ Is made by an individual who is a San Francisco resident;
- ✓ Is made no earlier than 18 months prior to the election and no later than the 30<sup>th</sup> day following the date of the election; and
- ✓ Is supported by appropriate documentation.

See S.F. C&GC Code [§ 1.104](#).

## **How Do Candidates Make a Claim for Matching Funds?**

To make a claim for additional public funds, candidates must submit a **Matching Request**. Filing a *Matching Request* and supporting documentation is very similar to filing a *Qualifying Request*. The *Matching Request* is filed electronically. Also, a *Matching Request* must be accompanied by the same contribution list and supporting documentation used to verify contributions in the *Qualifying Request*. To review what supporting documentation is required, please refer to the “[What Supporting Documentation is Needed?](#)” section above. For instructions on how to file a *Matching Request* using the Commission’s public filing system NetFile, refer to the NetFile Filer Guide.

## **Is There a Minimum Amount of Contributions Required for a Matching Request?**

Yes. Any submission of a claim for public funds must include a minimum of \$1,000 of matching contributions, except during the final 14 days before an election, when a claim for public funds only needs to include a minimum of \$200 of matching contributions.

## **How often may candidates submit a claim?**

As long as candidates remain eligible to receive public funds, they may submit claims for additional funds on a continuous first-come, first-served basis. Once a candidate has been notified of a determination on an existing request, they may submit a new claim. This means a candidate may only have one request pending before the Ethics Commission at any time.

## **When is the last day a candidate may request matching funds?**

All claims for public funds must be submitted no later than 5:00 PM on the 30<sup>th</sup> day after an election (December 5, 2024).

See S.F. C&GC Code [§ 1.144\(e\)](#).

## **How much can a candidate receive after the initial payment?**

As shown in the table below, after the initial payment of \$60,000, candidates will receive six dollars (\$6) from the Election Campaign Fund for each additional dollar of matching contributions raised, up to \$32,500 raised by non-incumbents, and \$32,000 raised by incumbents. The maximum amount of public funds a candidate may receive is **\$255,000 for non-incumbents** and **\$252,000 for incumbents**. See the table below for a summary of potential payments.

	Non-incumbent Candidates		Incumbent Candidates	
	Private Contributions	Matching Public Funds	Private Contributions	Matching Public Funds
<b>Initial Grant</b>	\$10,000	\$60,000	\$15,000	\$60,000
<b>1:6</b>	\$32,500	\$195,000	\$32,000	\$192,000
<b>Totals</b>	<b>\$42,500</b>	<b>\$255,000</b>	<b>\$47,000</b>	<b>\$252,000</b>

See S.F. C&GC Code [§ 1.144\(d\)](#).

## **IX. Understanding Individual Expenditure Ceilings**

Unlike candidates for other City offices, candidates for the Board of Supervisors are not subject to the voluntary expenditure ceiling (VEC). Instead, candidates for the Board of Supervisors who participate in the public financing program are subject to an Individual Expenditure Ceiling (IEC). The IEC is a limit on the total amount of expenditures (both made and accrued) a candidate may make during their campaign.

The IEC only applies to candidates for Board of Supervisors who are certified to receive public financing or have a *Qualifying Request* pending review.

### **Adjusting the Individual Expenditure Ceilings**

For supervisorial candidates the IEC starts at \$350,000. Adjustments to an individual candidate's IEC will be based on the amount of supportive funds a candidate's opponent has received, third-party spending in support of any opponents, and any third-party spending made in opposition to the candidate. IEC limits can be raised in increments of \$50,000, but cannot be reduced or removed. Candidates may only exceed this amount once notified by the Commission that their IEC has been adjusted.

Candidates are always bound by an IEC, including after the election. Because IEC limits are adjusted on an individual basis, candidates in the same race may have different IEC limits or have their IEC adjusted at different times/intervals.



## Factors used to determine IEC adjustments

Ethics Commission staff will monitor and review candidate and third-party filings to determine the following for each candidate in a race:

Candidate Supportive Funds (CSF): The sum of all funds (i.e., monetary contributions, loans, in-kind contributions, and public funds) received by a candidate. This amount is capped at the candidate's current IEC.

Third-Party Supportive Funds (TPS): Any expenditures made by any person/committee (other than a candidate) to support that candidate.

Total Supportive Funds (TSF): The sum of Candidate Supportive Funds and Third-Party Supportive Funds supporting that candidate.

Total Opposition Spending (TOS): The sum of all expenditures made any person/committee (other than a candidate) to oppose a specific candidate.

See S.F. C&GC Code [§ 1.143\(b\)](#); *SFEC Regulations* § 1.143-1 & -2.

## What happens if candidates exceed the IEC?

Once certified to receive public funding, a candidate may not make or incur any expenditures that would cause their total reported expenditures to exceed their current IEC amount. If, at any time during the campaign, the sum of the committee's expenditures (both paid and accrued) exceeds the current IEC by 10 percent or more, candidates may be required to return **all** public funds received. Candidates may also be subject to other enforcement penalties.

See S.F. C&GC Code [§ 1.150\(b\)](#).

### Example:

A Board of Supervisor district race features three candidates, Alvin, Biao, and Carla. Candidates Biao and Carla have been certified to receive public financing ("PF"), but Candidate Alvin has not ("NP"). The IEC limit for Candidates Biao and Carla is initially set at \$350,000. On this day, two third-party expenditures were reported and all three candidates reported new fundraising amounts on *Threshold Notices*:

#### Candidate Alvin (NP)

Recently reported total funds received: \$340,000

#### Candidate Biao (PF)

Recently reported total funds received: \$320,000

#### Candidate Carla (PF)

Recently reported total funds received: \$370,000

#### Third-Party Committees

\$15,000 in spending *opposing* Candidate Biao

\$20,000 in spending *supporting* Candidate Carla

No spending for/against Candidate Alvin

Candidate Name	Initial IEC	Candidate Supportive Funds	Third-Party Supportive Funds	Total Supportive Funds (TSF)	Total Opposition Spending (TOS)	Opponent's TSF + TOS	New IEC
Candidate Alvin (NP)	N/A	\$340,000	\$0	\$340,000	\$0	\$370,000	N/A
Candidate Biao (PF)	\$350,000	\$320,000	\$0	\$320,000	\$15,000	\$385,000	\$400,000
Candidate Carla (PF)	\$350,000	\$350,000	\$20,000	\$370,000	\$0	\$340,000	\$350,000

**Explanation of the IEC adjustment in District 1:**

Candidate Alvin has raised \$340,000 and has not received any Third-Party Supportive Funds. Candidate Alvin’s Total Supportive Funds (TSF) = \$340,000

Candidate Biao has raised \$320,000 and has not received any Third-Party Supportive Funds. Candidate Biao’s Total Supportive Funds (TSF) = \$320,000

Candidate Carla has raised \$370,000 and has received \$20,000 in Third-Party Supportive Funds. Even though Carla raised \$370,000 in funds, only \$350,000 (an amount equal to their current IEC) is counted towards their Total Supportive Funds. Candidate Carla’s Total Supportive Funds (TSF) = \$370,000.

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

- For Candidate Alvin, there will be no adjustment.  
Explanation: Candidate Alvin is not a publicly financed candidate and is not subject to an IEC.
- For Candidate Biao, their IEC will be adjusted to \$400,000.  
Explanation: The highest Total Supportive Funds among Candidate Biao’s opponents is \$370,000 (for Candidate Carla). There was also \$15,000 in Total Opposition Spending against Candidate Biao. Candidate Biao’s Opponent Total Supportive Funds + Total Opposition Spending = \$385,000. Because this amount exceeds Candidate Biao’s current IEC, an adjustment is required. IEC adjustments are made in increments of \$50,000, and Candidate Biao’s IEC is raised to \$400,000.
- For Candidate Carla, there will be no adjustment.  
Explanation: The highest Total Supportive Funds among Candidate Carla’s opponents is \$340,000 (for Candidate Alvin). Because there has been no opposition spending against Carla, their Opponent Total Supportive Funds + Total Opposition Spending (\$340,000) is less than her current IEC (\$350,000).

See [SFEC Regulations § 1.143-2](#) for additional examples of IEC adjustments.

## X. After the Election

### **Committee Audits**

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 to determine compliance with both state and local law. Under the rules of the public financing program, all candidates who receive public funds are subject to mandatory audit. The Commission will initiate the audit process after the first post-election campaign report is filed.

*See S.F. C&GC Code [§ 1.150](#).*

### **What happens if candidates have funds remaining in the Campaign Contribution Trust Account?**

Funds that remain in the campaign contribution trust account on the 30th day after the election are “unexpended public funds.” Unexpended public funds can include private contributions and public funds. The total amount of unexpended public funds will not exceed the amount of public funds a candidate received. Committees must forfeit unexpended public funds to the City for deposit into the Election Campaign Fund no later than 30 days after the Ethics Commission completes its audit of the campaign committee.

### **Use of Unexpended Public Funds**

Candidates may use unexpended public funds to continue to pay outstanding qualified campaign expenditures directly related to the election, including expenses invoiced after the date of the election but incurred prior, and a limited range of post-election expenses. These can include treasurer/consultant, storage, and banking fees associated with an audit, consultant/treasurer fees related to the preparation and filing of required campaign forms and statements, and rent/utility fees related to a campaign office for up to 30 days after the election. Funds in the committee trust account designated as unexpended public funds *cannot* be used to pay for other expenses that do not directly affect the outcome of the election such as fines/penalties, consultant/staff bonuses, and post-election expenses such as celebrations/events, announcements, or expenses associated with holding office.

The amount of funds used to pay for qualified expenditures or the limited range of allowable post-election expenses described above can be deducted from the total amount of unexpended public funds designated to be returned to the City. It is up to the committee to demonstrate through reasonable accounting methods that unexpended funds were only used to pay for qualified expenditures and that the committee returned the appropriate amount to the City.

### **Funds Raised After the Election**

Any funds raised between the election date and the 30<sup>th</sup> day after the election will still be considered “unexpended public funds” if these funds remain in the committee trust account after the 30<sup>th</sup> day after the election. Funds that the committee receives more than 30 days after an election day do not constitute unexpended public funds and may be used for any lawful purpose such as settling outstanding debts from the campaign.

*See S.F. C&GC Code [§ 1.148\(c\)](#).*

### Example:

A candidate received \$60,000 in public funds. On the 30<sup>th</sup> day after the election, there is \$12,000 remaining in the committee trust account, which is deemed “unexpended public funds” regardless of the source of those funds. The committee raised an additional \$5,000 more than 30 days after the election. The candidate is only required to repay \$12,000 in unexpended public funds (the balance on the 30<sup>th</sup> day).

### Example:

A candidate received \$80,000 in public funds. On the 30<sup>th</sup> day after the election, their committee had \$93,000 remaining in the trust account. A maximum of \$80,000 is deemed “unexpended public funds” because the amount of unexpended public funds cannot exceed the total amount of public funds a candidate received. The committee must repay \$80,000 (minus any qualified expenditures paid) to the Election Campaign Fund.

## XI. Conclusion

As previously noted, this supplemental guide is intended to answer the most frequently asked questions about laws applicable to San Francisco 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.

## XII. Appendix I – Requirement Check List

The check list below outlines the general steps and requirements candidates must complete to qualify for public financing. This is by no means an exhaustive or chronological list of all requirements and should only be used as a general guide by candidates.

- File nomination papers with the [San Francisco Department of Elections](#) to seek election to the Board of Supervisors and be eligible to hold office if elected.
- No later than the deadline to file nomination papers, file a *Statement of Participation or Non-Participation* form, indicating intent to participate.
- Non-incumbents: Raise at least \$10,000 in qualifying contributions from at least 100 individuals; or Incumbents: Raise at least \$15,000 in qualifying contributions from at least 150 individuals. Qualifying contributions must be between \$10 to \$100, from individuals who reside in the City, received by the 70<sup>th</sup> day before the election.
- Submit a *Qualifying Request* (Form SFEC-1442(b)) with supporting documentation to establish eligibility no later than the 70<sup>th</sup> day before the election.
- Be opposed by at least one 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 spending limits (Individual Expenditure Ceiling) starting at \$350,000, or as raised by the Ethics Commission.
- Do not accept any loans to your campaign from anyone except yourself, and do not loan or donate more than \$5,000 of your own money to your campaign.
- Do not make any payments to a contractor or vendor in return for the contractor or vendor making a campaign contribution to your committee and do 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.
- Pay any outstanding fines owed to the City by you or any of your campaign committees.
- File all required statements, reports, or forms owed to the City by you or any of your campaign committees (see this [Filing Schedule](#)).
- 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.

## XIII. Appendix II – Audit Records

Under state law (Title 2 of the California Code of Regulations, § 18401), candidates, treasurers, and elected officers have a duty to maintain original source documentation as necessary to prepare campaign statements and comply with provisions of the Political Reform Act commencing with Section 84100. A filer must maintain copies of filed campaign statements and reports and the accounts, records, bills and receipts, and original source documentation for a period of four years following the date the campaign statement to which they relate is filed. The [Fair Political Practices Commission’s Disclosure Manuals](#) provide detailed information on record keeping.

Committee must submit electronic copies of all requested records and documents maintained in compliance with state and local law. The Ethics Commission is not able to accept or maintain “physical” forms of records such as paper copies or flash drives. Common documents and records a committee may be expected to maintain are identified below.

### **BANKING/FINANCIAL RECORDS**

- Bank Statements**  
Additional statements for the months following the audit period should be submitted if expenditures or deposits are outstanding/in transit at the close of the audit period.
- Financial Ledgers or Check Registers**  
Provide ledgers and registers for the same period covered by bank statements.
- Other Bank Documents**  
Provide memos, letters, or other records that may evidence debit and credit transactions.

### **CONTRIBUTIONS/DEPOSITS RECEIVED (Monetary & Nonmonetary Contributions, Loans, and Public Financing)**

- Check Contributions:** copies of check
- Credit Card Contributions:** receipt/transaction records from the credit card merchant
- Wire Transfer Contributions:** bank receipts showing wire originator information
- Cash Contributions:** signed/dated contributor cards for each contribution
- Loans:** lender agreements, records of payments and outstanding balances, and copies of related checks
- Public Financing:** check copy of public funds received, determination letter from Ethics Commission
- For All Funds Deposited:** proof of deposit (e.g., deposit receipt, bank report); for credit card transactions, proof of transfer by merchant
- Nonmonetary Contributions:** documentation evidencing source, nature, and value of contribution
- Contributor Correspondence:** remit forms/envelopes, correspondence related to contributor information (e.g., address, occupation/employer) or attribution/aggregation

## EXPENDITURES/PAYMENTS MADE

- Expenditure Records:** invoices, bills, and receipts from vendors; detailed payments by agents/vendors to sub-vendors; contracts/agreements for professional services, staff, office space, or equipment rental
- Payments by Check:** copy of original signed check attached to vendor invoice, expense report, or similar expenditure record (if applicable)
- Payments by Wire Transfer:** copy of bank originator request attached to vendor invoice, expense report, or similar expenditure record (if applicable)
- Payments by Bank/Credit Card:** payment receipt showing bank card number attached to vendor invoice, expense report, or similar expenditure record (if applicable)
- Payments by Cash:** petty cash ledger, receipts, bank withdrawal receipts
- Payroll Records** (if applicable): names of workers, contract/payment agreements, timesheets, payments and dates, time and description of services provided by workers

## MISCELLANEOUS

- Documentation regarding purchase and disposition of campaign assets/equipment
- Copies and proof of transmittal (e.g., stamped envelope, copy of email) for notifications of filing obligations sent to major contributors (i.e., “Major Donor” notification letters)
- Record of all communications paid for and distributed including costs, dates distributed, and copies of all communications:
  - **Printed communications** (e.g., mailings, window signs, print ads): legible copies of final communication as produced (i.e., no “proof” copies)
  - **Digital Ads** (e.g., web-based or social media ads): digital copy or link to ad
  - **Website/Social Media Pages:** archived or PDF copies of primary landing page and all sub-pages linked to landing page (e.g., donation page, communications page, events page)
  - **TV/Radio Ads & Web Videos:** audio/video files of entire ad as run
  - **Phone Banks, Robo Calls, Text Messages:** full text of phone script or message distributed
  - **Telephone Messages:** transcripts, recordings, and records of date and number of calls made for each recorded message
- Samples of any other types of communications paid for by committee
- Documents relating to miscellaneous increases to cash (e.g., interest earned on accounts, including bank-initiated credits, receipt of public funds)

## XIV. Appendix III – Guidelines for Organizing Records

### GENERAL

- Documents and records should be well-organized, legible, and complete.
- Ensure all information is visible and not cut off in margins.
- Organize documents and records by reporting period (i.e., semi-annual, 1<sup>st</sup> pre-election, 2<sup>nd</sup> pre-election, etc.).
- Organize bank statements in sequential order by date. Bank statements should be separate from other financial ledgers/check registers maintained by the committee.

### CONTRIBUTION RECORDS

- **Check/Cash Contributions:** Organize contributions into deposit batches that include a list of all contributions in the deposit batch, record of deposit (e.g., deposit receipt), and supporting documentation (e.g., check copies, remit forms) for each contribution in the deposit batch.
- **Credit Card Contributions:** Contributions should be grouped according to transfer/deposit batch and corresponding bank deposit. Each batch should include supporting documentation (e.g., report from the credit card vendor or transaction receipts) and a list of contributions that comprise the deposit batch (i.e., report from the credit card vendor).
- Deposit batches should be in order by date of deposit and numbered sequentially. The amounts deposited as shown on deposit batches should match the amounts listed on bank statements.
- Organize contribution documents by reporting period based on the date the contribution was received, not deposited.

### EXPENDITURE RECORDS

- Copies of canceled checks should be kept with supporting documents (i.e., invoices, samples of communications, etc.) and organized by reporting period. Maintain notes for any expenditures that were incurred in a reporting period but remained unpaid at the close of that period.
- When a single payment is used for multiple expenditures, attach all expenditure documentation (e.g., invoices) to the payment record (e.g., check copy, wire payment receipt).
- Attach invoices for expenditures paid by credit card to the corresponding credit card statements.
- Records of payments made to sub-vendors should be included with invoices provided by the vendor or agent who retained the sub-vendor.
- If a petty cash fund was used, submit all records for the fund including a balance ledger, expenditure receipts, and bank withdrawal records to fund the petty cash fund.
- If the committee retained campaign staff (i.e., field workers, precinct walkers), attach timesheets, descriptions of services provided, and employment agreements to canceled salary payment records.



## **OTHER RECORDS**

- Organize reports from vendors regarding credit card contributions and associated charges according to amounts deposited by credit card vendors into the committee's bank account.
- Provide a check register, ledger, or other document that shows how the committee determined when it reached certain reporting requirements (i.e., candidate threshold statements, Late Contribution Reports).
- Maintain information regarding fundraising events/activities including event date and location, total amount collected, names of contributors and amounts received, costs associated with events, invitations/solicitations sent for events.
- Maintain a record of all communications paid for and distributed by the committee. Attach copies (if possible) to invoice/payment records for each.