

## FACT SHEET ON CONTRIBUTIONS FROM PERSONAL AND FAMILY TRUST ACCOUNTS

Amendments to the City's Election Campaign Control Ordinance, effective on October 7, 2004, include new City laws regarding the use of personal or family trust accounts to make contributions to support or oppose candidates for City office. This fact sheet is designed to help candidates and committees gain a better understanding of these new laws, but should not be considered a substitute for the actual statute (San Diego Municipal Code section 27.2950).

- ❖ Candidates and committees may accept contributions in the form of checks drawn on personal or family trust accounts as long as the contribution is properly attributed to an individual on a campaign statement.
- ❖ If it is clear from the name of the trust account that the account belongs to one person, then it may be assumed that the contribution is fully attributable to the person identified in the name of the trust account. For example, a check signed by Mary Smith and drawn against the Mary Smith Family Trust Account is attributable to Mary Smith.
- ❖ If it appears from the name of the trust account that the account could belong to more than one person, candidates and committees should follow the rules associated with accepting checks from joint checking accounts. For example, consider the Bob and Mary Smith Family Trust Account:
  - Mary Smith signs a \$100 check payable to a City candidate. The candidate should identify Mary Smith as the contributor of the \$100 contribution.
  - Bob and Mary Smith both sign a \$200 check payable to a City candidate. The candidate should identify Mary Smith as the contributor of a \$100 contribution, and Bob Smith as the contributor of a \$100 contribution.
  - Bob Smith signs a \$50 check payable to a City candidate, and accompanies the check with a letter signed by both Bob and Mary Smith stating that the contribution shall be attributed equally to each of them. The candidate should identify Mary Smith as the contributor of a \$25 contribution, and Bob Smith as the contributor of a \$25 contribution.
- ❖ If a trust account check identifies only the surname associated with the trust (e.g., Smith Family Trust), or if the name of the person signing the check does not match the name of the trust, the Ethics Commission recommends that the candidate or committee not deposit the check unless it is accompanied by a document, signed by the trustee(s), stating how the contribution is to be attributed.
- ❖ If it is not clear from the name of the trust account whether it is a personal or family trust account, the candidate or committee should obtain additional information from the contributor to verify that the contribution is from a personal or family trust account. In other words, unless the check indicates that it is drawn on an account for a "living trust," "family trust," or "personal trust," the committee should contact the contributor to confirm that it is, in fact, a personal or family trust account. For example, a check drawn on the "Mary Smith Trust Account" does not provide sufficient information, in and of itself, to inform the candidate or committee that the check is from a personal or family trust account.
- ❖ A candidate committee may not accept a check if it is drawn on a business trust account (a trust established solely for the purpose of receiving business income and paying business expenses).

For additional information, please contact the Ethics Commission at (619) 533-3476.