



CAMPAIGN MANUAL FOR CITY CANDIDATES RAISING LESS THAN \$2,000

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Introduction

This Candidate Manual is designed to assist candidates who do not plan to raise or spend \$2,000 or more seeking elective City office. While such candidates must comply with some state and local campaign laws, they are not required to create a campaign committee nor are they required to file the comprehensive campaign statements that other candidates file.

Because a candidate could reach the \$2,000 threshold without originally intending to, this manual contains many reminders concerning the rules that will change significantly if the threshold is reached. If a candidate reaches the \$2,000 threshold, this manual will no longer apply; the candidate must instead form a campaign committee and file a series of comprehensive campaign statements in accordance with the City Clerk's filing schedule. If you believe that you will raise more than \$2,000 in contributions (including contributions of your own personal funds), please review instead the Ethics Commission's manual for candidates with campaign committees, which can be found on the Commission's website: <http://www.sandiego.gov/ethics/documents/candidate.shtml>.

Even if you do not anticipate raising \$2,000 or more in connection with your candidacy, you will still have some basic filing obligations with the City Clerk. Questions concerning how to become a City candidate or when to file campaign statements should be directed to the City Clerk as follows:

(619) 533-4025

www.sandiego.gov/city-clerk

Other requests for advice concerning the City's campaign laws should be directed to the Ethics Commission as follows:

(619) 533-3476

ethicscommission@sandiego.gov

Keep in mind that the Ethics Commission can only provide advice to candidates in advance of contemplated action. In other words, the Ethics Commission cannot help you after you have violated the City's campaign laws, so please be sure to contact our office before you take the action in question.

Finally, please remember that your decision to run for elective office in the City of San Diego carries with it certain responsibilities. Even if you are not raising substantial contributions, you are still required to abide by state and local laws that regulate the conduct of all candidates. The failure to adhere to these laws could result in a variety of penalties, including but not limited to administrative fines imposed by the Ethics Commission.

Chapter 1

Filing Obligations

The filing obligations discussed in this chapter apply to candidates who will not raise or spend \$2,000 or more during the course of the campaign. This \$2,000 threshold includes contributions of personal funds from the candidate. In other words, if you receive eight contributions of \$200 each, and you contribute \$500 of your own money, you will have raised \$2,100 and this manual will not apply; contact the Ethics Commission for further assistance.

Form 501

You must file a Form 501 Candidate Intention Statement if you are planning to run for elective office in the City of San Diego. Use the form to identify your name and address and the office sought. Note that this form must be filed before you ask anyone for a campaign contribution or before you spend any personal funds on your campaign. This form is available on the California Fair Political Practices Commission [FPPC] website: <http://www.fppc.ca.gov/forms.html>

Once completed, the Form 501 may be delivered or mailed to the City Clerk's office: 202 C Street, 2nd Floor San Diego, CA 92101. Alternatively, you may contact the City Clerk for assistance filing the Form 501 electronically.

Form 470

Candidates who stay under the \$2,000 threshold are required to file a Form 470 Candidate Campaign Statement – Short Form. The form is filed once a year. It requires the candidate to declare that he or she will receive less than \$2,000 and will spend less than \$2,000. It is also available on the FPPC website.

In the year of the election, you must file the Form 470 prior to the first pre-election filing deadline. This deadline typically falls near the end of March. Contact the City Clerk for the exact date. The Form 470 is filed with the City Clerk, and may be filed in paper format or electronically. The City Clerk can assist you with electronic filing.

Note that if you reach the \$2,000 threshold, you must, within 48 hours, file a Form 470 Supplement with the City Clerk and the Secretary of State, and provide a copy to all other candidates in the race. You must then create a campaign committee that will file the more comprehensive Form 460 instead of the short-form Form 470.

Nomination Papers

Contact the City Clerk's office for information relating to obtaining and filing nomination papers. The Ethics Commission has no jurisdiction over this aspect of City elections.

Note that payments from your personal funds used to pay the City Clerk's filing fee do not count toward the \$2,000 threshold.

Chapter 2

Banking and Recordkeeping

This chapter applies to candidates who plan to accept campaign contributions. Such candidates will have some recordkeeping obligations, as outlined in this chapter. Keep in mind that if you accept \$2,000 or more in contributions, including contributions made from your personal funds, this manual will no longer apply and you must instead follow the more comprehensive recordkeeping rules applicable to candidates with campaign committees; contact the Ethics Commission for further assistance.

Campaign Bank Account

If you accept campaign contributions in any amount from one or more persons (other than yourself), you must open a campaign checking account at a financial institution that provides checking services in the state of California. All contributions (including your personal contributions) must be deposited into this account, and all expenditures must be made from this account.

On the other hand, you are not obligated to open a campaign checking account if you do not accept any contributions from other individuals and you spend less than \$2,000 of your own funds.

If you open a campaign checking account:

- contributions must be deposited into the account within 40 calendar days;
- if a contribution is not deposited within 40 calendar days, it may be returned to the contributor, voided, or destroyed.
- all campaign expenditures must be made from the campaign checking account.

City candidates must also obtain all of the following information before a contribution may be deposited:

- ✓ the contributor's full name; and
- ✓ the contributor's street address (business addresses are permitted but not post office boxes); and
- ✓ the contributor's occupation and employer (if the contributor has given you a total of \$100 or more). If a contributor is self-employed, candidates must obtain the name of the business.

This requirement applies to all contributions, whether they are made via cash, check, debit card, or credit card.

Recordkeeping

Candidates are required to maintain records associated with any contributions received and all expenditures made. In particular, candidates must maintain the following records:

- for contributions made by check or credit card, a copy of the check or credit card receipt;
- for cash contributions, a notation that cash was received on a particular date;
- if a contribution is of something other than money, a description of what was contributed, a reasonable good faith estimate of the monetary value of the contribution, and the basis for the estimate;
- for every expenditure, records reflecting the date and amount of the expenditure,

the name and address of the payee, and a description of the goods or services provided, as well as all source documentation such as invoices and receipts.

In addition, candidates who have campaign checking accounts must maintain copies of all records associated with the checking account including bank statements, cancelled checks drawn off the account, check registers, check stubs, deposit slips, etc.

Candidates must produce copies of records associated with campaign contributions and expenditures to the Ethics Commission upon request. In addition, candidates should not assume that their records will be maintained by their banks. If a bank is unable to produce relevant records related to a candidate's account (e.g., the bank merged with another bank) the candidate will be held responsible for complying with recordkeeping laws. In other words, the failure to produce records requested by the Commission could result in a fine.

Chapter 3

Accepting Contributions

As with the previous chapter, this chapter does not apply to candidates who do not plan to accept any campaign contributions.

Contribution Limits

Candidates for Council District office may accept contributions up to \$550 per contributor per election. Candidates for Mayor and City Attorney may accept contributions up to \$1,050 per contributor per election. (Note that accepting several maximum contributions would cause you to reach the threshold for having to create a campaign committee; in such circumstances, this manual would no longer apply to you.)

The City's contribution limits do not apply to a candidate's personal funds. In other words, a candidate may contribute unlimited funds to his/her committee. Note that these personal funds must belong to the candidate in his/her individual capacity. In other words, a candidate may not receive unlimited funds from a spouse or relative. Again, note that if your use of personal funds causes you to reach the \$2,000 threshold, you must create a campaign committee and follow a different set of rules.

Contributions from Organizations

Except as stated below, candidates for elective City office may only accept contributions from individuals. They may not accept contributions from any type of organization (e.g. corporation, company, partnership, joint venture, firm, association, proprietorship, committee, etc.). There are three exceptions to this rule; City candidates may also accept contributions from:

- sole proprietorships, which are treated as contributions from the individual operating the sole proprietorship, up to the \$550/\$1,050 per person limit;

- political parties; and,
- a contributor's personal or family trust, up to the \$550/\$1,050 per person limit (aggregated with any other contribution from the contributor);

For more information regarding personal or family trusts, please see the Ethics Commission's "Fact Sheet on Contributions from Personal and Family Trust Accounts": http://www.sandiego.gov/ethics/pdf/trust_account_fact_sheet.pdf.

Non-Monetary Contributions

Non-monetary contributions include the following:

- goods or services donated to the campaign by others (other than volunteer personal services);
- forgiveness or reductions in debts;
- equipment or supplies donated by the candidate (note that a candidate required to open a campaign checking account may not purchase supplies and then donate them to the campaign – instead, all personal funds must first be deposited into the campaign's bank account); and
- payments made by others on behalf of or in consultation with the campaign.

Although donation of property to a campaign is considered a non-monetary contribution, the incidental use of personal property or equipment is not considered a non-monetary contribution. In other words, if you send an email related to your campaign from your personal computer, you do not have to determine the pro-rata cost of the computer and/or the email services for purposes of

calculating the value of a non-monetary contribution.

Cash Contributions

Cash contributions are limited to \$99 per contributor per election. Cash contributions include contributions made by money order or cashier's check.

Anonymous Contributions

Candidates for elective City office may not accept more than \$200 in anonymous contributions per election (not per contributor).

Pre-Election Fundraising Time Period

Candidates may not solicit or accept contributions until 12 months before the primary election. There are no time limits, however, with regard to a candidate's use of his or her personal funds. You may, therefore, use personal funds for campaign expenses prior to the one-year pre-election period.

Post-Election Fundraising Time Period

Candidates may only solicit contributions for 180 days after their withdrawal, defeat, or election to office. The 180 day period begins on the date of the election.

Note that post-election contributions may be accepted only if you have outstanding campaign debts.

Returning Contributions

As discussed above, there are a variety of limits, restrictions, and prohibitions on contributions made to City candidates. From time to time, a candidate's committee may inadvertently accept an improper contribution.

The guidelines for handling the return of these improper contributions are as follows:

- If you discover that you have accepted an improper contribution, you may not deposit it. Instead, you should void the check, destroy it, or return it to the contributor.
- If you deposit an improper contribution and discover the mistake within 10 calendar days of deposit, you may return the contribution to the contributor.
- If you do not discover the mistake within 10 calendar days, you must submit a payment to the City Clerk in an amount equal to the improper contribution (along with a copy of the contribution check, information regarding the contributor, and a summary of the facts regarding the violation).

For a summary of the campaign laws that apply to the acceptance of contributions by City candidates, please see the Ethics Commission's "Fact Sheet on Soliciting and Accepting Contributions." This fact sheet is posted on the Ethics Commission's website: <http://www.sandiego.gov/ethics/pdf/sheets/acceptingcontrib.pdf>.

Chapter 4

Campaign Advertising

This chapter applies to candidates who plan to spend less than \$2,000 to prepare and distribute campaign advertisements (e.g., e-mail messages, flyers, door hangers, etc.). If you plan to spend more than \$2,000 on campaign advertisements, this manual will not apply; contact the Ethics Commission for further assistance.

Campaign Literature

All types of printed campaign materials produced in quantities of 200 or more (mailers, yard signs, door hangers, etc.) must include the following disclosure:

- each item must include the words “paid for by” followed by the name of the candidate, street address, and city;
- the disclosure must be printed in a legible 12 point typeface (except for yard signs) that contrasts with the background;
- yard signs must include the disclosure in a legible typeface that has a height at least 5% of the height of the sign, and contrasts with the background.

Please see the Ethics Commission’s “Fact Sheet on Mass Campaign Literature” for more information. This fact sheet is posted on the Ethics Commission’s website:

<http://www.sandiego.gov/ethics/pdf/sheets/masslit.pdf>.

Telephone Communications

The City’s campaign laws require candidates to include a disclosure statement when making substantially similar campaign-related telephone calls to 500 or more individuals or households in connection with the same election. Contact the Ethics Commission for assistance if you plan to make such calls while staying below

the \$2,000 threshold. You can also review the Ethics Commission’s “Fact Sheet on Telephone Communications”:

<http://www.sandiego.gov/ethics/pdf/sheets/telephone.pdf>.

Disclosures on Advertisements in Mass Media

Candidates must include a “paid for by” disclosure in any advertisement purchased in a newspaper, periodical, or magazine of general circulation. Contact the Ethics Commission for assistance if you plan to purchase such advertising while staying below the \$2,000 threshold.

Email Communications

Note that state law also imposes “paid for by” disclosures on email communications sent to 200 or more recipients.

Chapter 5

Additional Restrictions

In addition to the restrictions set forth in the previous chapters, City candidates are subject to the following rules:

Restrictions on Soliciting Contributions from City Employees

City candidates may not solicit a contribution from someone if they know the person is a City employee.

The term “City employees” includes all paid City officers and employees, as well as the paid officers and employees of the City’s agencies (Civic San Diego; San Diego Housing Commission; San Diego Convention Center Corporation).

Payments to Spouse

Candidates are not permitted to use their campaign funds to pay their spouses or domestic partners for campaign fundraising services.

Use of City Resources

The City’s Ethics Ordinance prohibits City Officials from using City facilities, equipment, supplies, or resources for campaign-related purposes.

Chapter 6

After the Election

If you did not raise or spend any money on your campaign, you have no post-election obligations. On the other hand, if you have post-election debts or leftover campaign funds, you will have to take steps to pay the debts or dispose of the leftover funds. Candidates with campaign checking accounts must have a zero balance before closing the account.

Outstanding Debts

The City's campaign laws require all candidates to pay their debts within 180 days of receiving an invoice or receiving the goods or services from a vendor (whichever is earlier). If you are unable to raise any additional contributions to pay your debts within the 180-day period, you must use personal to pay all campaign debts in full.

In addition, the City's campaign laws permit candidates to accept contributions for only 180 days after the withdrawal, defeat, or election to office. The 180-day period begins on the date of the election.

Candidates may only accept contributions after an election if they have outstanding debts from that election. In other words, if you have a zero balance or leftover funds (after paying off all debts) at the end of the primary election, you may not continue to accept contributions for that election.

Leftover Funds

Candidates who have leftover campaign funds may not keep these funds or spend them for personal purposes. Instead, leftover funds must be used for one or more of the following purposes:

- to pay outstanding campaign debts (note that vendor debts must be paid

within 180 days of receiving an invoice or receiving the goods/services, whichever is earlier);

- to repay contributions;
- to make a donation to any bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit organization (note that such donations cannot have a financial benefit on the candidate, any member of his or her immediate family, or his or her campaign treasurer);
- to make a contribution to a political party (as long as the funds are not used to support or oppose candidates for elective City office);
- to make a contribution to support or oppose any candidate for federal office, any candidate for elective office in a state other than California, or any ballot measure; and,
- to pay for professional services including legal fees.