

Complying with Philadelphia's Campaign Finance Law



Board of Ethics of the City of Philadelphia



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Disclaimer

The following general information is for candidates for City elective office, those who contribute to candidates for City elective office, and political committees and other persons that make expenditures to influence a City election. This is not intended as legal advice on the application of the City's Campaign Finance Law. If you would like advice on the application of the City's Campaign Finance Law to your particular situation, please contact the Board of Ethics.

The City's Campaign Finance Law is found at [Philadelphia Code Chapter 20-1000](#) (Political Contributions and Expenditures). The Board of Ethics has provided a detailed interpretation of the law in [Board of Ethics Regulation No. 1](#) (Campaign Finance). Candidates for City elective office, those who contribute to candidates for City elective office, and political committees and other persons that make expenditures to influence a City election, must comply with the requirements of Regulation No. 1.

[Philadelphia Code Chapter 17-1400](#) imposes limitations on contributions by persons that obtain non-competitively bid contracts from the City. If you have questions about Code Chapter 17-1400, you should contact the City's Department of Finance.

This guide does not address the requirements of the State Election Code. For advice on the application of the State Election Code, please contact either the Philadelphia City Commissioners or the Pennsylvania Department of State.

Philadelphia Board of Ethics: 1515 Arch Street, 18 th Floor One Parkway Building Philadelphia, PA 19102 215-686-9450 http://www.phila.gov/ethicsboard/	Philadelphia County Board of Elections: (City Commissioners) Room 142, City Hall Philadelphia, PA 19107 215-686-3943 http://www.philadelphiavotes.com/
Philadelphia Department of Records: Room 156, City Hall Philadelphia, PA 19107 215-686-2261 http://www.phila.gov/records/campaignfinance/CampaignFinance.html	Philadelphia Department of Finance: 1401 JFK Boulevard, 14 th Floor Municipal Services Building Philadelphia, PA 19102 215-686-4914 econtractPhilly@phila.gov
Pennsylvania Department of State: 210 North Office Building Harrisburg, PA 17120 717-787-5280 http://www.portal.state.pa.us/portal/server.pt/community/campaign_finance/12731	

Key Concept: Which Candidates are Covered by the City's Campaign Finance Law?

Candidates for these City elective offices: Mayor, District Attorney, Controller, City Council, City Commissioner, and Sheriff.

Candidates for Judgeships and the Register of Wills are not covered by the City's Campaign Finance Law.

Becoming a candidate for City elective office

Under the City's Campaign Finance Law, an individual becomes a candidate when he or she either publically announces his or her candidacy for City elective office or files Nomination Petitions or Papers with the City Commissioners.

Key Concept: Note on Definition of Candidates

The definition of "candidate" is broader under the State Election Code than it is under the City's Campaign Finance Law.

Someone who is not a candidate under the City law may be a candidate under State law and therefore subject to the reporting requirements of that law. For guidance on the application of State law to this issue, please contact the City Commissioners or Department of State.

Within three days of becoming a candidate for City elective office, the candidate must submit the following information to the Board of Ethics:

- The name and street address (other than a P.O. box) of the candidate's committee;
- The name of the bank where the candidate's committee checking account is established; and
- The name, street address (other than a P.O. Box), telephone number and email address of the treasurer of the candidate's committee.

A candidate for City elective office may submit the above information to the Board of Ethics either via email or postal mail or by providing a copy of the *Political Committee Registration Statement* he or she submitted to the City Commissioners, so long as the Statement contains all the required information.

Note: A candidate for City elective office must provide this information to the Board of Ethics about his or her candidate committee even if he or she used the same committee for a previous election.

Use of Political Committees by Candidates for City Elective Office

As a general rule, a candidate for City elective office may use no more than one political committee and one checking account for his or her campaign. All contributions and all expenditures for the campaign must be deposited into or made out of this account. Funds held in other accounts may not be used to influence a City election.

In addition to his or her candidate committee, a candidate for City elective office may establish a separate litigation fund committee in order to receive contributions and make expenditures to pay professional fees and expenses incurred in defense of a civil, criminal, or administrative proceeding arising directly out of the conduct of the candidate's election campaign or participation in the election. Generally, within six months of the conclusion of the general election for which the candidate ran, the litigation fund must be terminated and any remaining funds returned to contributors. For further guidance on the use of litigation funds, please see Board Regulation No. 1, Subpart G.

A candidate for City elective office may also make expenditures through up to one political committee in addition to his or her candidate political committee for the printing and distribution of sample ballots that are distributed in the candidate's ward.

Excess Pre-Candidacy Contributions

Prior to the announcement of candidacy for City elective office, an individual may have a committee that raises monies and makes expenditures. However, when the individual becomes a candidate, he or she must account for any excess pre-candidacy contributions the committee has received.

An excess pre-candidacy contribution is the portion of a pre-candidacy contribution to a political committee that, had it been made to a candidate's committee, would have been in excess of the contribution limitations.

Within ten (10) days of becoming a candidate for City elective office, the candidate's committee must exclude all excess pre-candidacy contributions from the checking account of his or her candidate committee. It may do so either by transferring those funds to a separate account or returning them to their donors.

A candidate for City elective office may not spend excess pre-candidacy contributions for the purpose of influencing the outcome of a City election.

Key Concept: Raising Within the Limits

If you are considering becoming a candidate for City elective office, it may well be simpler to raise money within the contribution limits at all times. This recommended practice avoids the issue upon becoming a candidate for City elective office of having to exclude contributions in excess of the limits that were received prior to becoming a candidate.

For further information about how to identify, calculate, and exclude excess pre-candidacy contributions, please see Paragraph 1.44 of Regulation No. 1.

Reporting Requirements

Who must file campaign finance reports with the Board of Ethics?

Candidates for City elective office and political committees that make expenditures to influence a City election must electronically file campaign finance reports with the Board of Ethics. Political committees and other persons who make independent expenditures to influence a City election are also required to electronically file campaign finance reports with the Board.

When are campaign finance reports due?

Candidates for City elective office and their authorized candidate committees file reports for cycles 2, 3, 6, & 7 on the dates listed below.

A political committee must file with the Board of Ethics a copy of any report it files, or should file, with the City Commissioners or the Secretary of State, if that report discloses, or should disclose, any expenditures made or debt incurred to influence a City election. The report is due on the same date as the filing is due with the City Commissioners or the Department of State. In some instances, a political committee will file reports for cycles 1 and 4, in addition to filing reports for the other cycles.

Name of Report	Cycle number	Complete As Of	Filing Deadline
Sixth Tuesday Pre-Primary	Cycle 1	Mon., March 30, 2015	Tues., April 7, 2015
Second Friday Pre-Primary	Cycle 2	Mon., May 4, 2015	Fri., May 8, 2015
Thirty Day Post-Primary	Cycle 3	Mon., June 8, 2015	Thu., June 18, 2015
Sixth Tuesday Pre-Election	Cycle 4	Mon., Sept. 14, 2015	Tues., Sept. 22, 2015
Second Friday Pre-Election	Cycle 5	Mon., October 19, 2015	Fri., October 23, 2015
Thirty Day Post- Election	Cycle 6	Mon., Nov. 23, 2015	Thu., Dec. 3, 2015
Annual Reports	Cycle 7	Thur., December 31, 2015	Mon., February 1, 2016

The 24 hour reporting period:

Pre-primary 24 hour reporting	Begins May 5, 2015	Ends May 19, 2015
Pre-election 24 hour reporting	Begins Oct. 20, 2015	Ends Nov. 3, 2015

During this reporting period:

- Any candidate committee of a candidate for City elective office (or any candidate) that receives a contribution or pledge of \$500 or more must file a report disclosing that contribution or pledge within 24 hours of receipt.
- Any political committee or other person that makes independent expenditures of \$500 or more to influence a City election must file a report disclosing that independent expenditure within 24 hours of receipt

Non-election year filings: A committee of a person who is no longer (or not yet) a candidate for City elective office will be required to file a campaign finance report even in a year in which its candidate is not on the ballot if the committee files, or should file, a report with the City Commissioners or Secretary of State and that report discloses, or should disclose, any expenditures made or debt incurred to influence a City election. For example, if the committee of a City Council member makes a contribution of \$500 to a candidate for City Controller in the year of the Controller election, when the Council member's committee files a report with the City Commissioners disclosing that contribution, the committee must electronically file a copy of that report with the Board of Ethics.

How does one file campaign finance reports?

In order to file a report electronically with the Board of Ethics, a person must set up an account with the City's Department of Records. The form used to set up an account can be found at <http://www.phila.gov/records//CampaignFinance/CampaignFinance.html>.

Filings with the Board of Ethics must be submitted electronically, either by using a free software program called SmartClient (which can be downloaded at: <http://philadox.phila-records.com/cfsc/>) or by submitting the report in text file format. Anyone who needs assistance setting up or using SmartClient can contact the Board of Ethics.

For each campaign finance report filed with the Board of Ethics, the filer must also submit a signed form attesting that the information contained in the report is true and correct. Users can generate and print this form using SmartClient.

Note: Filings with the City Commissioners must be submitted on paper. Filers can use SmartClient to print out a paper copy of their campaign finance reports for filing with the City Commissioners. Filers can also use SmartClient to export a report into text files that can be used to file electronically with the Department of State.

Filing help center

For a few days preceding the filing deadline of a reporting cycle, and throughout the course of the 24-hour reporting period, the City provides a filing help center at the Marriott Residence Inn across from City Hall. The help center is open from 9:00 am until 6:00 pm and is staffed with people who can help filers with technical questions or filing issues. Laptops, printers, and a notary are available for filers to use free of charge.

Contribution Limits

The City’s Campaign Finance Law imposes the following limits on contributions to candidates for City elective office:

Per Calendar Year (As of January 2012)	To a Candidate’s Political Committee	To a Candidate’s Litigation Fund	To a <i>Former</i> Candidate’s Political Committee (post-candidacy contribution*)
From an Individual	\$2,900	\$2,900	\$2,900
From a Political Committee, partnership, or sole proprietorship	\$11,500	\$11,500	\$11,500

* Contributions received between the general election and the end of that calendar year (or for an unsuccessful primary election candidate, between the primary election and the end of that calendar year) and in each year that follows the year of the general election. See page 9 for more information about post-candidacy contributions.

Contributions from Business Organizations: In order to qualify for the \$11,500 contribution limit, the finances of a sole proprietorship or partnership must be distinct and segregated from the personal finances of its proprietor or partners.

Contributions from Joint Checking Accounts: A contribution made by a check that reflects a joint checking account of two or more individuals shall be attributed to the joint account holder who signs the check. If more than one account holder signs a contribution check, the contribution shall be apportioned evenly between the signers. If an individual other than an account holder signs a contribution check, the contribution shall be attributed evenly among the joint account holders.

Non-Election Year Contribution Limits

During a non-election year:

- a. Candidates for Mayor shall receive no more than \$250,000 in total contributions from political committees;
- b. Candidates for District Attorney and Controller shall receive no more than \$100,000 in total contributions from political committees; and
- c. Candidates for City Council, Sheriff, and City Commissioner shall receive no more than \$75,000 in total contributions from political committees

Be aware: Eligibility for City contracts

City law limits contributions from individuals or businesses that wish to be eligible for certain City contracts. These limitations are found at Chapter 17-1400 of the City Code and include rules that aggregate contributions in certain circumstances. For guidance on Chapter 17-1400, please contact the City's Department of Finance.

Coordinated Expenditures

Expenditures by individuals or political committees made in coordination with a candidate's campaign to advocate or influence the election of that candidate are in-kind contributions from the person or committee to the candidate and are subject to the City's contribution limits. This includes republication of campaign communications and materials created by the candidate's campaign. However, a coordinated expenditure for communications or the dissemination of materials shall only be deemed an in-kind contribution to a candidate for City elective office and subject to the City's contribution limits if it either:

- 1) Expressly advocates the election or defeat of a candidate; or
- 2) Within 90 days of an election for City office (including the day of the election), names, refers to, includes, or depicts a candidate in that election.

By contrast, an independent expenditure is an expenditure made by a person or committee for the purpose of influencing an election without coordination with any candidate or political committee authorized by a candidate and is not subject to the contribution limits.

For more detailed guidance as to what constitutes a coordinated expenditure, see Regulation No.1, Subpart H.

Example: Coordination

A Mayoral candidate gives a PAC a template for a door hanger. The PAC spends \$5,000 for door hangers based on the template and distributes them a month before the Primary. The \$5,000 expenditure was coordinated with the campaign and is therefore an in-kind contribution to that Mayoral candidate subject to the contribution limits.

Example: Independent

An Independent Expenditure Committee supporting fishing piers spends \$50,000 on radio ads in support of a City Council candidate. The candidate's campaign does not have any knowledge of the ads until they air. The \$50,000 expenditure is an independent expenditure and is not subject to the contribution limits.

Corporate Contributions

State law prohibits corporations and unincorporated associations from making contributions to candidates for City elective office or to political committees that make contributions to candidates for City elective office. Corporations and unincorporated associations may make contributions to political committees that have registered as Independent Expenditure Committees. For more information please contact the Department of State or the City Commissioners Office.

Post-Candidacy

Contribution limits continue to apply to former candidates for City elective office who raise money to pay off debt incurred to influence an election for City office or to pay for transition or inauguration expenses. Former candidates for City elective office must file reports with the Board of Ethics disclosing post-candidacy contributions and expenditures.

Between the general election and the end of the calendar year (or for an unsuccessful primary election candidate, between the primary election and the end of the calendar year) and in each year that follows the year of the general election, former candidates for City elective office may receive post-candidacy contributions up to the contribution limits.

A former candidate for City elective office may not spend excess post-candidacy contributions on transition or inauguration expenses or to retire campaign debt or transition or inauguration debt. If a former candidate for City elective office receives a post-candidacy contribution that exceeds the limits, he or she, must within ten days, either transfer the excess portion to a segregated account or return the excess portion to the contributor.