

CHAPTER 1 – GETTING STARTED

A number of steps are necessary to begin funding your campaign. For example, you must file various City and state forms, in part to inform the public about your campaign.

A. REQUIRED PAPERWORK

In order to solicit and receive contributions and make expenditures on behalf of your candidacy, you must file paperwork with the Ethics Commission and the Secretary of State.

1. FILE PAPERWORK WITH THE ETHICS COMMISSION

You may not solicit or accept contributions, make expenditures, or use personal funds in your campaign until you have filed the following forms with the Ethics Commission. The forms must be filed concurrently.

a. **City forms:**

- "Declaration of Intent to Solicit and Receive Contributions" (Form 12)
You may not solicit or receive any contribution before this form is filed.
- "Statement of Understanding" (Form 13)
This statement confirms that you and your treasurer have received and read and understand the City's campaign finance laws.
- "Notification of Other Controlled Committees" (Form 16)
If you control other political committees, you must notify the Ethics Commission in writing of these committees, their checking accounts, and the names and addresses of the financial institutions at which the accounts are held. If other committees are subsequently opened, you must notify the Ethics Commission on the next regular business day. Charter § 470(g).

b. **State form:** "Candidate Intention Statement" (California Form 501).

2. FILE PAPERWORK WITH THE SECRETARY OF STATE

You qualify as a committee once you have raised or spent \$2,000 in a calendar year for your campaign. Cal. Gov't Code § 82013. Within 10 days of receiving \$2,000 in contributions (including from your personal funds) or spending \$2,000, you must file the original and one copy of a "Statement of Organization" (California Form 410) with the Secretary of State and one copy with the Ethics Commission. After receiving your filing, the Secretary of State will issue you a committee identification number. The type of committee you will be forming is called a "candidate controlled recipient committee" because it is under your control and will receive contributions.

If you wish, you may file this form before qualifying as a committee so that you can obtain a committee identification number. However, in that case, you must amend the original California Form 410 within 10 calendar days of qualifying as a committee and disclose the date you qualified.

You and your campaign committee are required by law to file periodic campaign disclosure statements until your committee officially terminates. Please see Chapter 2 for

more information about these disclosure reports. If you have not received—and do not anticipate receiving—at least \$2,000 in contributions, please contact the Ethics Commission for information about your filing obligations.

B. COMMITTEE ACCOUNTS

Your committee is required to have one campaign checking account. All of your campaign contributions must be deposited into that account, and all of your campaign expenses must be paid from it. Charter § 470(g). Your campaign checking account may only be used for City campaign purposes, and it must be at a financial institution branch in the City of Los Angeles. *Id.*

1. OPENING A COMMITTEE CHECKING ACCOUNT

- a. **Obtain an Employer Identification Number (EIN)** from the IRS by completing an SS-4 Form (“Application for Employer Identification Number”). You may apply online at www.irs.gov or by fax at (855) 641-6935.
- b. **Open a checking account** by taking your EIN and a copy of the California Form 410 that you filed with the Ethics Commission and the state to a financial institution located in the City.
- c. **File a “Controlled Committee Bank Account Information” form (Form 14)** with the Ethics Commission within 10 calendar days of opening the account. If you did not include your checking account information on Form 410 when you originally filed it, you must amend that form to include that information.

2. USE OF PERSONAL FUNDS

You may open the checking account with your personal funds. If you choose to do this, the committee must report this use of your personal funds as a contribution or loan to your campaign. Cal. Gov’t Code §§ 84216, 84216.5; 2 CCR § 18215. If you want to participate in the matching funds program, your use of personal funds is limited. See Chapter 4 for more information.

You may not make campaign-related expenditures directly from your personal funds. You must deposit any personal funds into the campaign checking account before using those funds for campaign-related expenses. The only exception is that you may use personal funds from a personal account to pay your initial filing fees for forms filed with the City Clerk during candidate filing week (*see* Section 1.E below). Cal. Gov’t Code §§ 85200, 85201(f); *see also* FPPC’s *Campaign Disclosure Manual 2*, Chapter 1.

City law limits the use and repayment of personal funds. LAMC §§ 49.7.9(E)–(F), 49.7.23(C)(5). Please see Section 5.E.1 and Section 4.B for more information.

3. CAMPAIGN SAVINGS ACCOUNTS AND INVESTMENT INSTRUMENTS

Although you may only have one campaign checking account, you may transfer campaign funds from that account to certificates of deposit, interest-bearing savings accounts, money market funds, and similar accounts, as long as these accounts are established for campaign purposes and no campaign expenditures are made directly from those accounts. Charter § 470(g); FPPC’s *Campaign Disclosure Manual 2*, Chapter 2.7.

Before using investment account funds for campaign-related expenditures, the funds must be deposited into the campaign checking account. In addition, you must report any interest or dividends earned from these accounts as miscellaneous increases to cash on Schedule I, and any bank fees or charges as expenditures on Schedule E of Form 460.

C. ETHICS COMMISSION TRAINING

All candidates and their treasurers must complete a mandatory campaign finance training session conducted by the Ethics Commission prior to the primary election. LAMC § 49.7.12. Candidates are strongly encouraged to complete the training as soon as possible and to have their fundraisers and campaign consultants complete a session, as well.

Candidates who intend to participate in the matching funds program cannot qualify for or receive public funds until both they and their treasurers have completed the training. See Chapter 4 for more information on matching funds.

Candidates who have filed campaign paperwork will be notified of training sessions. Others should contact the Ethics Commission for upcoming dates.

D. TIMELINE FOR ACCEPTING CONTRIBUTIONS

The fundraising window for the 2020 primary elections opened on September 3, 2018. You may file a Form 12 after that date. Once you have filed a Form 12, you may begin fundraising. Please see page 46 for other required campaign filings and Chapter 3 for information about contributions.

You may continue to raise funds up to 12 months after the date of the general election, but only for the purposes of retiring campaign debt or paying compliance, fundraising, or inauguration expenses. LAMC § 49.7.10(C). See Chapter 8 for more information on post-election activity.

E. CANDIDATE FILING WEEK (NOVEMBER 4-9, 2019)

During the period commonly referred to as "candidate filing week," candidates are required to file several forms with the City Clerk's Election Division and the Ethics Commission to establish their candidacies, get their names on the ballot, accept or reject matching funds (if they have not already done so), and disclose certain economic interests. Candidate filing week for this election will be held November 4-9, 2019, ending at 12:00 p.m. on Saturday, November 9.

The City's election laws are administered by the City Clerk's Election Division. You may contact that division for information about ballot and election matters, such as nominating petitions, filing fees, and residency requirements. The City Clerk's *General Information for Candidates* brochure also provides helpful information. For your convenience, Ethics Commission staff will be housed in the City Clerk's Election Division during candidate filing week.

1. DECLARE YOUR INTENT

The first step toward getting your name on the ballot is to file a "Declaration of Intention to Become a Candidate" with the City Clerk's Election Division. This declaration must be filed during candidate filing week. The City Clerk's Office will not issue nominating petitions to you unless you have properly filed this form. Please see section E.4 below for

more information. You are strongly advised to contact the City Clerk's Election Division at (213) 978-0444 for information about qualifying to appear on the ballot.

2. DISCLOSE YOUR FINANCIAL INTERESTS

You must file a "Statement of Economic Interests" (California Form 700) with the Ethics Commission by the end of candidate filing week. Cal. Gov't Code § 87201. For this election, candidate filing week begins Monday, November 4, 2019, and ends at 12:00 p.m. on Saturday, November 9, 2019. The City Clerk will not issue nominating petitions to you if you fail to meet this deadline. Please see Sections E.4 below for more information.

Form 700 itemizes financial interests that you hold as of the date you declare your candidacy, as well as your sources of income during the 12 months before filing the form. Cal. Gov't Code § 87201. Form 700 is available from the Ethics Commission or from the FPPC's website. Please contact the FPPC with questions.

3. ACCEPT OR REJECT PUBLIC MATCHING FUNDS

By the end of candidate filing week, you must file a "Statement of Acceptance or Rejection of Matching Funds" (Form 20) with the Ethics Commission. LAMC § 49.7.22(A). This form states whether you agree or decline to participate in the public matching funds program.

Your decision applies to both the primary and general (runoff) elections. If you decide not to participate in the program during the March primary election, you cannot change your mind and participate in the program in the November general election.

If you originally agree to participate in the program, you will have five business days after the last day of candidate filing week to change your mind if an opponent in your race declines to participate in the program. LAMC § 49.7.22(C). You must file a revised version of your Form 20 to decline to participate in the program. If you originally decline to participate in the program, you cannot change your mind and opt into the program at a later date. Candidates who decline to participate at any time are considered "non-participating candidates." Please see Chapter 4 for more information regarding matching funds.

4. CIRCULATE AND FILE YOUR NOMINATING PETITIONS

To qualify for the ballot, you must obtain a required number of signatures from qualified, registered City voters. Nominating petitions are used for this purpose and will be distributed by and filed with the City Clerk's Election Division.

The City Clerk will not issue nominating petitions to you if you do not file a Form 700 with the Ethics Commission and obtain a filing receipt by 12:00 p.m. on November 9, 2019.

Specific deadlines for receipt of the signed petitions apply and are identified on the election schedule (see the City Clerk's website for more information). The City Clerk's brochure, *General Information for Candidates*, has additional information about filing deadlines, fees, and obtaining nominating petitions.

F. DISCLOSE CITY-RELATED BUSINESS

Candidates who qualify to appear on the ballot, or who qualify as "write-in" candidates, must file a "Statement of City-related Business" (Form 44) with the Ethics Commission within 10 calendar days of conducting certain business with the City that affects their personal financial interests. City Election Code § 304; LAMC § 49.5.6(C). This statement discloses specific transactions or applications you have pending with the City.

G. WITHDRAWING YOUR CANDIDACY

If you decide to withdraw your candidacy after having filed Form 501 and Form 410, you will continue to have campaign statement filing obligations until you terminate your campaign committee. To do this, you must complete all of the following steps to inform your opponents and the public that your campaign is no longer active:

1. File a terminating Form 410 with the Secretary of State and submit a copy to the Ethics Commission (a terminating Form 501 is not required);
2. File a "Cancellation of the Declaration of Intent to Solicit and Receive Contributions" form (Form 15) with the Ethics Commission; and
3. File a terminating California Form 460 showing an ending cash balance of zero with the Ethics Commission.

More information about terminating your campaign committee can be found in Chapter 8.