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# Introduction

In March 2007, Los Angeles City voters approved Charter Amendment L, which enacted campaign finance regulations for candidates running for the Los Angeles Unified School District Board of Education (LAUSD) and charged the Los Angeles City Ethics Commission (Ethics Commission) with administering those regulations.

The Ethics Commission has prepared this information guide as a summary of campaign finance information for candidates seeking LAUSD office in the 2022 elections.

This guide is not exhaustive, and we urge you to carefully review all of the laws listed below. It is your responsibility to comply with their provisions. The City laws are available on the Ethics Commission's website. In addition, Ethics Commission staff members are available during regular business hours to answer questions.

Just as the Ethics Commission administers and enforces LAUSD's campaign finance laws, the Fair Political Practices Commission (FPPC) administers and enforces state campaign finance laws. The Political Reform Act (PRA) and its corresponding regulations are available on the FPPC's website. Candidates and committees may also find the FPPC's Campaign Disclosure Manual 2 helpful.

Please contact the City Clerk's Election Division for information about qualifying for the ballot, such as obtaining and filing a "Declaration of Intention to Become a Candidate," obtaining nominating petitions, submitting filing fees, and understanding residency requirements. The Ethics Commission cannot advise you on these matters.

## **City Law:**

Los Angeles City Charter (Charter) § 803

## **State Law:**

California Education Code (Cal. Ed. Code) §§ 7054-7055  
California Government Code (Cal. Gov't Code) §§ 3205-3206, 81000 *et seq.*; and  
Title 2, California Code of Regulations (2 CCR) §§ 18109 *et seq.*

## **Federal Law:**

United States Code, Title 52 (52 USC) §§ 30118(a), 30121(a)  
Code of Federal Regulations, Title 11 (11 CFR) § 110.26(g)

# Contact Information

## Los Angeles City Ethics Commission

200 North Spring Street  
City Hall 24th Floor, Suite 2410  
Los Angeles, CA 90012

**Phone:** (213) 978-1960

**Fax:** (213) 978-1988

**Whistleblower Hotline:** (800) 824-4825

**Email:** [ethics.commission@lacity.org](mailto:ethics.commission@lacity.org)

**Website:** [ethics.lacity.org](http://ethics.lacity.org)

## California Fair Political Practices Commission

1102 Q Street  
Suite 3000  
Sacramento, CA 95811

**Phone:** (866) ASK-FPPC (275-3772)

**Fax:** (916) 322-0886

**Website:** [fppc.ca.gov](http://fppc.ca.gov)

## Los Angeles City Clerk Election Division

Piper Technical Center  
555 Ramirez Street, Space 300  
Los Angeles, CA 90012

**Phone:** (213) 978-0444

**Fax:** (213) 978-0376

**Email:** [clerk.lacity.org/elections](http://clerk.lacity.org/elections)

## Los Angeles Unified School Board Office of the Superintendent

333 South Beaudry Avenue, 24th Floor  
Los Angeles, CA 90017

**Phone:** (213) 241-7000

**Fax:** (213) 241-8442

**Email:** [sos.ca.gov](http://sos.ca.gov)

# Chapter One

## Getting Started

To begin your campaign, you must file certain City and state forms, which are available on the Ethics Commission's website.

### A. 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 a California Form 501 ("Candidate Intention Statement") and City Forms 12, 13, and 16 with the Ethics Commission. The forms may be filed after the fundraising window opens, and must be filed together with your Form 17 ("Committee Contact Information"). The fundraising window opens on September 8, 2020.

### B. 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.<sup>1</sup> 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 California Form 410 ("Statement of Organization") 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.

You may file Form 410 before qualifying as a committee so that you can obtain a committee identification number, which is used on multiple campaign forms. If you do so, you must amend the original Form 410 within 10 calendar days of qualifying as a committee and disclose the date you qualified.

You 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.

#### Form 12

##### Declaration of Intent to Solicit and Receive Contributions

You may not solicit or receive any contribution before this form is filed.

#### Form 13

##### Statement of Understanding

This statement confirms that you and your treasurer have received, read, and understand the City's campaign finance laws.

#### Form 16

##### Notification of Other Controlled Committees

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.

<sup>1</sup> Cal. Gov't Code § 82013.

## C. COMMITTEE ACCOUNT

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.<sup>2</sup> Your campaign checking account may only be used for LAUSD campaign purposes, and it must be at a financial institution branch located in the City of Los Angeles.<sup>3</sup> Each committee may only have one checking account.

## D. OPENING A COMMITTEE CHECKING ACCOUNT

To open your committee account, you must:

- a. Obtain an Employer Identification Number (EIN) from the IRS by completing an IRS Form SS-4 ("Application for Employer Identification Number"). You may apply online at 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 branch located in the City.
- c. File a Form 14 ("Controlled Committee Bank Account Information") 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.

## E. USE OF PERSONAL FUNDS

You may open the checking account with your personal funds. If you choose to do this, you must report this use of your personal funds as a contribution or loan to your campaign.<sup>4</sup> You may not spend your personal funds and later use campaign funds to reimburse yourself.

You may not make campaign-related expenditures directly from your personal funds. Like all other contributions, personal funds must be deposited into the campaign checking account before being used for campaign-related expenses. The only

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<sup>2</sup> Charter § 803(e).

<sup>3</sup> Charter § 803(e).

<sup>4</sup> Cal. Gov't Code §§ 84216, 84216.5; 2 CCR § 18215.

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.<sup>5</sup>

## F. 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.<sup>6</sup>

As with personal funds, investment account funds must be deposited into the campaign checking account before they may be used for campaign-related expenditures. 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 California Form 460 ("Recipient Committee Campaign Statement").

## G. 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.<sup>7</sup> Candidates should complete the training as soon as possible and are encouraged to have their fundraisers and campaign consultants complete a session, as well.

Candidates who have filed campaign Forms 12, 13, and 501 will be notified of training sessions. Others should contact the Ethics Commission for upcoming dates.

## H. FUNDRAISING WINDOW

The fundraising window for the 2022 primary elections opened on September 8, 2020. You may file a Form 12 on or after the date your fundraising window opens. Once you have filed a

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5 Cal. Gov't Code §§ 85200, 85201(f); see also FPPC's Campaign Disclosure Manual 2, Chapter 1.

6 Charter § 803(e); FPPC's Campaign Disclosure Manual 2, Chapter 2.7.

7 Charter § 803(g).



Form 12, you may begin fundraising.

You may continue to raise funds up to nine months after the date of the election, but only for the purpose of retiring campaign debt.<sup>8</sup> See Chapter 6 for more information on post-election activity.

## I. CANDIDATE FILING WEEK (FEBRUARY 7-12, 2022)

During 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, and disclose certain economic interests. Candidate filing week for this election will be held from **February 7, 2022, through 12:00 p.m. on February 12, 2022.**

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. During candidate filing week, you must do the following:

### 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 is different from Form 12 and must be filed during candidate filing week. Please contact the City Clerk's Election Division for information about qualifying to appear on the ballot.

### 2. DISCLOSE YOUR FINANCIAL INTERESTS

You must file a California Form 700 ("Statement of Economic Interests") with the Ethics Commission by the end of candidate filing week.<sup>9</sup> The City Clerk will not issue nominating petitions to you if you fail to file Form 700 by this deadline.

<sup>8</sup> Charter § 803(q).

<sup>9</sup> Cal. Gov't Code § 87201.

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.<sup>10</sup> Form 700 is available from the Ethics Commission or from the FPPC's website. Please contact the FPPC with questions.

### 3. CIRCULATE AND FILE YOUR NOMINATING PETITIONS

To qualify for the ballot, you must obtain a required number of signatures from qualified, registered voters in your school district. 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 February 12, 2022.

There are specific deadlines for the submission of your signed petitions, which are identified on the City Clerk's 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.

## J. 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 Form 15 ("Cancellation of the Declaration of Intent to Solicit and Receive Contributions") with the Ethics Commission; and
3. File a terminating California Form 460 showing **an ending cash balance of zero with the Ethics Commission.**

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<sup>10</sup> Cal. Gov't Code § 87201.

# Chapter Two Disclosure Requirements

State and City laws require LAUSD candidates to publicly disclose certain information about their contributions, expenditures, and campaign communications.

## A. COMMITTEE CONTACT INFORMATION

Contact information for committees is filed through Form 17 (Committee Contact Information). The form asks for your committee's physical address, telephone number, email address, websites, and social media accounts.

## B. CAMPAIGN DISCLOSURE STATEMENTS

You are required to file periodic campaign disclosure statements with the Ethics Commission, to disclose contributors, monetary and non-monetary contributions, loans received or made, expenditures, unpaid bills, and any increases to cash (e.g., bank interest, dividends, or refunds or credit from vendors).<sup>11</sup>

### 1. DISCLOSURE FORMS

#### a. Periodic Reports.

Periodic campaign disclosure statements must be filed using either California Form 470 (Short Form) or California Form 460 (Long Form). The required form depends on the total amount of your contributions or expenditures.

- **Less than \$2,000.** Form 470 is used if you do not have a controlled committee and do not anticipate receiving or spending at least \$2,000 for your campaign. If you are required to file a Form 470, it must be submitted no later than January 31 for the previous calendar year.

<sup>11</sup> Cal. Gov't Code § 84211.

- **\$2,000 or more.** Form 460 is used if you have a controlled committee or have received or spent (or plan to receive or spend) \$2,000 or more for your campaign. If you are required to file a Form 460, you must file several statements over the course of your campaign. Detailed instructions are included with the form and in the FPPC's Campaign Disclosure Manual 2. Once you file a Form 460, you must continue to use Form 460, and Form 470 can no longer be used.

b. 24-hour Contribution Reports.

In addition to disclosing your campaign activity on a scheduled basis, you are also required to file a Form 497 ("24-hour/10-day Contribution Report") when you receive \$1,000 or more from a single source on the date of the election or during the 90 days immediately preceding the election.<sup>12</sup> This includes a contribution or loan from yourself. You must report the contribution or loan again on the next regular filing of your Form 460.

If the contribution is a monetary contribution, you must file the report within 24 hours of receipt. If the contribution is non-monetary, you must file the report within 48 hours of receipt. A non-monetary contribution is considered received on the earliest of the following:

- The date the contributor spends money for the goods or services, if the expenditure is made at the behest of the candidate or committee;
- The date you, your committee, or an agent of your committee takes possession or control of the goods or services; or
- The date you or your committee receives the benefit of the goods or services.

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<sup>12</sup> Cal. Gov't Code §§ 85204; 85309(a).

## 2. ELECTRONIC VS. PAPER FILING

- a. Campaigns raising or spending at least \$25,000.

If you have raised or spent at least \$25,000 in connection with your campaign, you are required to file campaign disclosure statements electronically, using the Ethics Commission's online Campaign Electronic Filing System (CEFS).<sup>13</sup>

To access CEFS, you and your treasurer must each file a Form 18 ("Application for CEFS ID") with the Ethics Commission.<sup>14</sup>

- b. All others.

You are encouraged to file electronically even if you are not required to do so. If you do not file electronically, you must file paper statements by submitting your original signed Form 460s to the Ethics Commission.

## 3. FILING DEADLINES

Campaign disclosure statements must be filed by specific deadlines identified by law. The filing schedule on the next page provides a list of filing deadlines. A filing deadline is extended to the next business day when it falls on a Saturday, Sunday, or City holiday.

An electronic statement is considered filed on the date the CEFS reporting requirements are met. A paper statement is considered filed on the earlier of the date of receipt by the Ethics Commission or the postmark date if it bears the correct address and postage.<sup>15</sup>

There are no extensions of the filing deadlines. Late filing penalties (\$10 per day for the state and \$25 per day for the City) and other penalties may apply to campaign statements that are not filed on time.<sup>16</sup>

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<sup>13</sup> Charter § 803(r)(4).

<sup>14</sup> Los Angeles Municipal Code § 49.7.17.

<sup>15</sup> FPPC's Campaign Manual 2, Chapter 9.1.

<sup>16</sup> Charter §§ 803(r)(4)(c), 803(x); Cal. Gov't Code § 91013.

## 4. AMENDMENTS

If you need to amend a campaign disclosure statement, you must file a new form in the format that applies to you under Section 2 above.

### C. COMMITTEE OBLIGATIONS TO THE IRS

Your campaign committee may be required to file IRS Form 1120-POL (U.S. Income Tax Return for Certain Political Organizations) if it has any taxable income, such as interest or dividends. For more information, please contact the IRS's Tax Exempt and Government Entities Customer Account Services at (877) 829-5500.

Please see the campaign filing schedule on the next page.

## Primary Election - June 7, 2022

Filing Deadline	Type of Statement	Period Covered	Acceptable Delivery Methods
July 31, 2020	Semi-Annual	3/8/20 - 6/30/20	CEFS / First Class Mail / Personal Delivery
February 1, 2021	Semi-Annual	7/1/20 - 12/31/20	CEFS / First Class Mail / Personal Delivery
August 2, 2021	Semi-Annual	1/1/21 - 6/30/21	CEFS / First Class Mail / Personal Delivery
January 31, 2022	Semi-Annual	7/1/21 - 12/31/21	CEFS / First Class Mail / Personal Delivery
April 28, 2022	1st Pre-Election	1/1/22 - 4/23/22	CEFS / First Class Mail / Personal Delivery
May 26, 2022	2nd Pre-Election	4/24/22 - 5/21/22	CEFS / First Class Mail / Personal Delivery
June 3, 2022	3rd Pre-Election	5/22/22 - 6/1/22	CEFS / First Class Mail / Personal Delivery
24 hours after receiving a contribution of \$1,000+	24-Hour Contribution	3/9/22 - 6/7/22	Email / Fax / Guaranteed Overnight Service Personal Delivery / Telegram
August 1, 2022	Semi-Annual	6/2/22 - 6/30/22	CEFS / First Class Mail / Personal Delivery

## General Election - November 8, 2022

Filing Deadline	Type of Statement	Period Covered	Acceptable Delivery Methods
August 1, 2022	Semi-Annual	6/2/22 - 6/30/22	CEFS / First Class Mail / Personal Delivery
September 29, 2022	1st Pre-Runoff	7/1/22 - 9/24/22	CEFS / First Class Mail / Personal Delivery
October 27, 2022	2nd Pre-Runoff	9/25/22 - 10/22/22	CEFS / First Class Mail / Personal Delivery
November 4, 2022	3rd Pre-Runoff	10/23/22 - 11/2/22	CEFS / First Class Mail / Personal Delivery
24 hours after receiving a contribution of \$1,000+	24-hour Contribution	8/10/22 - 11/8/22	Email / Fax / Guaranteed Overnight Service Personal Delivery
January 31, 2023	Semi-Annual	11/3/22 - 12/31/22	CEFS / First Class Mail / Personal Delivery

Whenever a campaign statement is required, a statement must be filed for every committee that you controlled during the reporting period.

# Chapter Three

## Contributions

### A. ABOUT CONTRIBUTIONS

A contribution is a monetary or non-monetary payment made to a candidate or campaign committee for which no goods, services, or other consideration is provided to the contributor in return.

#### 1. MONETARY CONTRIBUTIONS

Typical examples of monetary contributions include:

- Your personal funds.
- Money from your supporters (checks, cash, credit card transactions, etc.).
- Proceeds from the sale of tickets to fundraising events.
- Loans made to your committee.

#### 2. NON-MONETARY (IN-KIND) CONTRIBUTIONS

Typical examples of non-monetary contributions, also referred to as in-kind contributions, include:

- Food, beverages, flowers, and decorations donated by a supporter.
- Printing or mailing costs of a campaign mailer donated by the printer.
- Professional services not paid for by your campaign.
- Discounts or rebates that are not extended to the general public.
- Anything of value given to your committee without full consideration provided in return.



- A third party's reproduction, broadcast, or distribution of any material you or your committee has used for campaign purposes.<sup>17</sup>
- Communications paid for or made by third parties in cooperation with (at the behest of) you or your committee.

### 3. CONTRIBUTIONS DO NOT INCLUDE

- Volunteer personal services, unless an employer pays an employee to spend more than 10% of the employee's compensated time in a month rendering services for political purposes.<sup>18</sup>
- A fundraising event that is held in the host's home or office, when the host's total costs are \$500 or less.<sup>19</sup> Anything provided at or for the event by someone other than the host is a contribution to you from that person.

## B. CONTRIBUTION METHODS

### 1. CASH

You may not receive cash contributions of more than **\$30 per contributor, per election**.<sup>20</sup>

### 2. WRITTEN INSTRUMENTS

A written instrument is a check, cashier's check, or money order. A contribution of **\$99.99 or less** may be made by any of those instruments. A contribution of **\$100 or more** must be made by a check that contains the name of the contributor and the name of the payee, and it must be drawn from the account of the contributor or an intermediary.

### 3. CREDIT CARD AND ELECTRONIC TRANSFERS

A contribution of **any amount** up to the applicable limit may be made by credit card or electronic transfer. If you accept credit card or other electronic contributions, you must

**Note:** You are required to obtain specific information about your contributors before depositing their contributions into your committee bank account. Please see Section G in this chapter for details.

<sup>17</sup> Charter § 803(a)(1)(C)(iii).

<sup>18</sup> 2 CCR § 18423.

<sup>19</sup> Cal. Gov't Code § 82015(c)(2).

<sup>20</sup> Charter § 803(d).

determine whether each contribution is from a personal or a business account.

#### 4. TEXT MESSAGE

A contribution may be made via short message service (SMS), multimedia messaging service (MMS), or other similar text messaging technology, but it may not exceed **\$30 per person, per election.**<sup>21</sup> Text contributions are treated as a pledge and are not considered “received” until you or your committee obtains control of the contributed funds.

### C. PROHIBITED CONTRIBUTIONS

#### 1. FOREIGN NATIONALS

You are prohibited from receiving a contribution from a foreign national. A foreign national is a person who is not a citizen of the United States and does not have legal permanent residency status, including a foreign government, corporation, or organization. Additionally, domestic subsidiaries of corporations owned by foreign nationals may be prohibited from making contributions under certain circumstances.<sup>22</sup> Immigrants with status as lawful permanent residents of the United States may contribute. For more information, please see the FEC’s Foreign Nationals publication at [fec.gov/updates/foreign-nationals](http://fec.gov/updates/foreign-nationals).

#### 2. NATIONAL BANK OR FEDERAL CORPORATION

Federal law prohibits national banks and federal corporations from contributing to political campaigns.<sup>23</sup>

#### 3. CRYPTOCURRENCY

You are prohibited from receiving contributions in cryptocurrency, such as Bitcoin.<sup>24</sup>

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21 2 CCR § 18421.31; FPPC’s Campaign Disclosure Manual 2.

22 52 USC § 30121; 11 CFR § 110.20(g).

23 52 U.S. Code § 30118(a).

24 2 CCR § 18215.4.

## D. CONTRIBUTION LIMITS

There are monetary limits to the contributions you can receive during your campaign. These limits are important to understand before you begin to solicit or receive contributions.

### 1. PER-PERSON LIMITS

You may not accept more than a certain amount in contributions from a single person in a single election. A “person” is an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, or any other organization or group of persons acting in concert.<sup>25</sup>

For the 2022 elections, the limit is **\$1,300 per person, per election**.

**The primary election and the general election are considered two separate elections.** Therefore, one contributor may give you a maximum contribution for the primary and another maximum contribution for the general election.

**It is illegal to accept contributions in excess of the contribution limit.**<sup>26</sup> This includes monetary contributions, in-kind contributions, and loans. Therefore, you should carefully track the cumulative amount of contributions you receive from every person. In limited circumstances and during limited time frames, you may return or refund certain excess contributions to avoid penalties. The Ethics Commission’s [Excess Contribution Policy](#) is available on the Ethics Commission’s website.

### 2. ANONYMOUS CONTRIBUTIONS

You may not receive more than \$300 total from all anonymous sources for an election.<sup>27</sup> All additional contributions from anonymous sources must be turned over to the City Treasurer for deposit into the City’s general fund.

**Example:** You begin fundraising for an LAUSD seat two months before the primary election. The first month, a contributor gives your primary election committee \$1,300. That contributor may not contribute any more money, goods, or services in connection with your primary election campaign. If you have a fundraiser after the primary election to retire debt from that election, the limit still applies. However, if you move on to the general election, that contributor can give up to the \$1,300 limit again to your general election committee.

<sup>25</sup> Cal. Gov’t Code § 82047.

<sup>26</sup> Charter § 803(b)(3).

<sup>27</sup> Charter § 803(d).

### 3. GIFTS

Once you file your California Form 501, the state prohibits you from accepting personal gifts from a single source during the 2020 calendar year with a total value of more than \$500.<sup>28</sup> The limit for 2021 is \$520. In addition, you must disclose all gifts you receive from one source that are cumulatively valued at \$50 or more in the 12 months prior to the date you file your Form 700.<sup>29</sup> For more information, please contact the FPPC.

### 4. LOANS

Your campaign may receive loans, subject to certain limitations and requirements.

#### a. Personal Loans

The amount and duration of a loan you make to your own committee is not limited.

#### b. Commercial Loans

You may take out a loan from a commercial lending institution. If you do so on the same terms available to the public in the regular course of business, there are no limits on the amount or the repayment terms.<sup>30</sup>

#### c. Other Loans

If your committee accepts a loan from another person, it cannot exceed the per-person contribution limit and must be repaid within 30 calendar days.<sup>31</sup> If it is not repaid within 30 calendar days, it becomes a contribution that cannot be repaid.

#### d. Documentation.

Every loan must be made in writing. A copy of the written loan agreement must be emailed to the Ethics Commission by the filing deadline for the campaign statement on which the loan is first reported.<sup>32</sup> You

<sup>28</sup> Cal. Gov't Code § 89503.

<sup>29</sup> 2 CCR 18940(c).

<sup>30</sup> Charter § 803(a)(6).

<sup>31</sup> Charter § 803(b)(6).

<sup>32</sup> Charter § 803(b)(6).

must also keep records of the amount of the loan, the interest rate, the due date, and the name, address, job title, and employer of the lender and each guarantor or person liable for the loan.

## E. AGGREGATION

In certain circumstances, contributions from two or more persons must be aggregated and treated as if they were made by a single person. This means that the total amount given by those persons is subject to the per-person contribution limit.

### 1. GENERAL INFORMATION

Aggregation is required when one contributor holds a majority ownership interest in another contributor or controls another contributor's contribution activity.<sup>33</sup> If one aggregated person is prohibited from making a contribution in an LAUSD election, then everyone aggregated with that person is also prohibited. Consider the following examples:

**Example 1:** A sole proprietor of a dry cleaner contributes \$900 from her personal checking account to an LAUSD candidate. Because the contribution limit is \$1,300, she may not make a separate contribution from the dry cleaner's checking account of more than \$400 to the same candidate in the same election.

**Example 2:** An individual who makes a maximum contribution of \$1,300 from her own checking account may not make a contribution of any amount from the checking account of another individual for whom she holds financial power of attorney.

**Example 3:** If a business entity makes a contribution of \$500 to an LAUSD candidate, an individual who holds a 50-percent investment interest in the business may not make a personal contribution of more than \$800 to the same candidate in the same election.

**Example 4:** Corporation A makes a contribution of \$800 to an LAUSD candidate. Because Corporation B has the same majority shareholder as Corporation A, it may not contribute more than \$500 to the same candidate in the same election.

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33 Charter § 803(n).

**Example 5:** The CEO of a corporation directs the corporation to make a maximum \$1,300 contribution to an LAUSD candidate. The CEO may not make a separate contribution in any amount from his personal funds to the same candidate in the same election.

**Example 6:** Alan and Bob own 80% of Company A and 60% of Company B. If Company A makes a \$1,000 contribution to an LAUSD candidate, Company B may not make a separate contribution greater than \$300 to the same candidate in the same election. Alan or Bob may also be limited in their personal contributions, if one of them owns 50% or more of either company.

## 2. SPOUSES AND CHILDREN

Contributions by spouses and registered domestic partners are separate contributions, and each spouse or registered domestic partner may make a contribution up to the per-person contribution limit. Contributions from children under the age of 18 are presumed to be contributed by their parents and are attributed either half to each parent or entirely to a single custodial parent.<sup>34</sup>

## 3. JOINT CHECKING ACCOUNTS

State law specifies standard ways in which contributions from joint checking accounts must be attributed.<sup>35</sup>

- If a contribution check has the name of more than one individual imprinted on it, the contribution must be attributed to the individual whose name appears on the check and also signs it.
- If each individual whose name is imprinted on a check signs it, the contribution must be attributed in equal amounts to each person.
- If the name of the individual who signs the check is not imprinted on the check, an accompanying document, signed by the contributing individual, must state to whom the contribution is attributed.

<sup>34</sup> Charter § 803(o).

<sup>35</sup> 2 CCR § 18533.

Standard attributions may be altered if each individual whose name is imprinted on a check signs a document indicating that different amounts should be attributed to them. That document must accompany the check.

#### 4. AVOIDING EXCESS CONTRIBUTIONS

It is important to keep track of all contributions you have received, to ensure that no contributor exceeds the per-person contribution limit.

CEFS allows authorized users to run reports that check for aggregation. It is important to run reports after each filing for all contributions you have received to date.

If you have contributions that appear to require aggregation, you must obtain reliable third-party documentation to show that aggregation is not required. An Aggregate Contribution Verification Form is provided for this purpose in Appendix E. Documentation may also include a business entity's publication materials that identify the individuals who control the entity, a written statement from a person who is authorized to speak on behalf of a business entity, and similar types of documents.

#### 5. CURING EXCESS CONTRIBUTIONS

In certain circumstances and certain time frames, you may return an excess contribution to avoid enforcement penalties. See the [Excess Contribution Policy](#) on the Ethics Commission's website for more information.

**Example:** Contributions from an individual must be aggregated with those of an entity in which the individual has certain controlling interests. Some job titles may indicate a controlling interest (e.g., owner/proprietor, chief executive officer, president, investor, partner).

### F. LIMITATIONS ON FUNDRAISING

#### 1. LAUSD OFFICIALS AND EMPLOYEES

You may not, directly or indirectly, knowingly solicit contributions from any LAUSD officer or employee.<sup>36</sup> Public employees may not solicit contributions or engage in any other kind of political activity while in uniform.<sup>37</sup>

<sup>36</sup> Cal. Gov't Code § 3205.

<sup>37</sup> Cal. Gov't Code § 3206.

## 2. LAUSD RESOURCES

LAUSD resources may not be used to urge the support or defeat of any candidate or ballot measure.<sup>38</sup> This includes the use of funds, services, supplies, telephones, computers, and other equipment.

## 3. CONFLICTS OF INTERESTS

LAUSD board members may be prohibited from acting on certain matters if they have accepted contributions totaling more than \$250 in the preceding 12 months from a party to that matter.<sup>39</sup> Please contact the FPPC for more information.

## G. CONTRIBUTOR INFORMATION

You may not deposit a contribution into your campaign checking account until you have the information below on file.<sup>40</sup> You must return every contribution of \$100 or more within 60 days if you do not have all of the required information.<sup>41</sup> The documentation required for loans is identified above in D.4.d.

### 1. CONTRIBUTOR NAME

This must be the legal name of the true source of the contribution. It is important to ensure that the name is correctly spelled.

### 2. CONTRIBUTOR ADDRESS

The address must include the street address, city, state, and zip code.<sup>42</sup> If the address provided is a multi-unit address, such as an apartment building, the unit number must be provided. A post office or business service center box address may not be used.

### 3. CONTRIBUTOR JOB TITLE AND EMPLOYER

If the contributor is self-employed, you must record the name of that individual's business. It is not sufficient to

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38 Cal. Ed. Code §§ 7054-7055; LAUSD Board Rule 1267.

39 Cal. Gov't Code § 84308.

40 Charter § 803(r)(2).

41 Cal. Gov't Code § 85700.

42 Charter § 803(r)(2).



report the contributor as “self-employed.” For example, if contributor John Smith is a doctor and operates his own practice, his contributor information would be as follows:

<b>Name:</b>	John Smith	<b>Amount:</b>	\$350 on 8/18/20
<b>Address 1:</b>	123 Main St.	<b>Job Title:</b>	Doctor
<b>Address 2:</b>	Los Angeles, CA 90000	<b>Employer:</b>	Smith Medical Offices

A professional field (e.g., sales, education, entertainment, software, etc.) does not qualify as a job title. However, a job title may include being retired, a homemaker, or unemployed. Job title and employer are not required if the contributor is a non-individual.

#### 4. AMOUNT OF CONTRIBUTION

In addition to reporting the dollar amount of all monetary contributions, you must disclose the fair market value (FMV) of all non-monetary contributions.<sup>43</sup> The FMV is the amount you or your committee would have to pay on the open market for the good or service. This information may be obtained in writing from the contributor or, if that is not possible, as an estimate from vendors who provide similar goods or services. You should maintain a written record that describes the method you used to assess the FMV.

#### 5. DATE OF CONTRIBUTION

The date of a contribution is the date that you, your treasurer, or an agent for your committee obtains possession or control of the contribution.<sup>44</sup> It is not the date the contribution is deposited or the date of a check.

#### 6. CONTRIBUTIONS FROM AN LLC

If you receive contributions of \$100 or more from a limited liability company (LLC), you must collect additional information about individuals associated with the LLC before depositing the contribution into your campaign checking account.<sup>45</sup> The information must be disclosed on your Form 460.

**Note:** In the John Smith example to the left, “medicine” or “healthcare” would not be acceptable job titles. Here are some other job title examples:

Acceptable: Teacher  
Not: Education

Acceptable: CFO  
Not: Finance

Acceptable: Entrepreneur  
Not: Self

Acceptable: Sales Associate  
Not: Sales

Acceptable: Copy Editor  
Not: Advertising

Acceptable: Production Assistant  
Not: Entertainment

43 Cal. Gov’t Code § 82025.5.

44 2 CCR § 18421.1.

45 Cal. Gov’t Code §§ 18402.2, 18421.10.

If the LLC...	Then you must collect the following, in addition to the LLC's name:
Does not qualify as a committee	The name of the individual primarily responsible for approving the contribution.
Qualifies as a recipient committee <i>(receives contributions totaling \$2,000 or more in a calendar year)</i>	The name of the committee's principal officer.*
Qualifies as an IE committee <i>(makes IEs totaling \$1,000 or more in a calendar year)</i>	The name of the LLC's responsible officer.*
Qualifies as a major donor committee <i>(makes contributions totaling \$10,000 or more in a calendar year to or at the behest of candidates or committees)</i>	The name of the LLC's responsible officer.*

\* The individual primarily responsible for approving the entity's political activity, such as authorizing expenditures or contributions and developing or approving a campaign strategy.

If more than one individual shares in the responsibilities identified in the table above, you must report the name of at least one of those individuals.

An LLC is required to disclose to your campaign any contributions it makes on behalf of a third party, as well as the third party's full name, address, job title, and employer or, if the third party is self-employed, principal place of business.<sup>46</sup>

## H. MONEY LAUNDERING

A contribution made in the name of someone other than the true source of the contribution is an "assumed name" contribution.<sup>47</sup> This is commonly referred to as political money laundering, and it is illegal.

**Example 1:** Bob asks his employee Joe to make a contribution and reimburses Joe for it. Bob is the true source of the contribution, but neither of them discloses that fact. They have engaged in political money laundering.

<sup>46</sup> Cal. Gov't Code § 18402.2(e).

<sup>47</sup> Charter § 803(j).

**Example 2:** Susan makes a contribution and says it can be divided among all three of the adults who share her address. However, the other adults are unaware that she has done this, and they have not provided any funding for the contribution. Susan has laundered the portions of the contribution that are attributed to the other adults.

If you discover that your committee received an assumed-name contribution, you must promptly pay the amount received to the City Treasurer for deposit in the City's general fund.<sup>48</sup>

Persons who launder contributions, knowingly receive laundered contributions, or aid and abet someone engaging in political money laundering are subject to criminal prosecution, civil suits, and administrative penalties.<sup>49</sup>

## I. RETURNING CONTRIBUTIONS

A contribution is not considered received or accepted and does not need to be reported if it is not cashed, negotiated, or deposited and is returned to the contributor within 14 days of receipt.<sup>50</sup> The FPPC's Campaign Disclosure Manual 2 provides instructions for how to report returned contributions and bounced or stop-payment contribution checks. If you deposit a contribution that is later returned, it must be reported on Form 460 as having been received and as a payment made to the contributor.<sup>51</sup>

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48 Charter § 803(j).

49 Charter § 803(v).

50 Cal. Gov't Code § 84211(q); 2 CCR § 18531; Charter § 803(p).

51 2 CCR § 18531(f).

# Chapter Four Expenditures

## A. ABOUT EXPENDITURES

A campaign expenditure is a payment made for goods or services that is reasonably related to a political purpose.<sup>52</sup> Typical examples of campaign expenditures include but are not limited to payments for the following:

- Campaign communications, mass mailings, slate mailers.
- Campaign consulting and other professional services (legal, accounting, etc.).
- Advertising (print, electronic media, outdoor signs, etc.).
- Rent for office space or equipment.
- Salaries for campaign workers.

## B. ALLOWABLE EXPENDITURES

You may only use your campaign funds to make expenditures relating to your candidacy for LAUSD office. All of your campaign expenditures must be reasonably related to a political purpose.<sup>53</sup>

## C. PROHIBITED EXPENDITURES

### 1. CONTRIBUTIONS

Your committee is prohibited from making a contribution to another candidate running for elective office, to a committee supporting or opposing a candidate for elective office, or in support of or opposition to an LAUSD ballot measure.<sup>54</sup> However, you may use your own personal funds to contribute to other candidates and ballot measure committees.

<sup>52</sup> Cal. Gov't Code § 82025.

<sup>53</sup> Cal. Gov't Code § 89512.

<sup>54</sup> Charter § 803(b)(7).

## 2. SEPARATE ELECTIONS

The primary and general elections are considered two separate elections.<sup>55</sup> A campaign committee may only make expenditures related to its specific election. Your primary committee may not pay for goods or services received for the general election, and your general committee may not pay for goods or services received for the primary election.

## 3. TRANSFERS TO OTHER COMMITTEES

Funds from your campaign committee may not be transferred to another committee established for LAUSD office or to an independent committee that supports or opposes a candidate for elective office, including you. **If you advance to the general election, you may not transfer funds from your primary election committee to your general election committee.**

## 4. PERSONAL BENEFIT

An expenditure that gives you a substantial personal benefit must be directly related to a political, legislative, or governmental purpose.<sup>56</sup> The PRA has specific rules about certain types of expenditures that create a personal benefit for you or your immediate family. Please contact the Ethics Commission if you are considering an expense related to any of the following:

- Attorney fees
- Automobile
- Childcare
- Charitable donations
- Clothing
- Equipment and appliances
- Legal Fines
- Gifts
- Health
- Loans
- Professional Services
- Real Property
- Tickets for entertainment and political fundraisers.
- Travel and accommodations.
- Victory celebrations.

<sup>55</sup> Charter §§ 803(a)(4), 803(b)(7).

<sup>56</sup> Cal. Gov't Code § 89512.

## 5. SPOUSE OR DOMESTIC PARTNER

You may not use your campaign funds to compensate your spouse or domestic partner for any services.<sup>57</sup>

## D. PAYMENT METHODS

All campaign expenditures must be made from your campaign checking account.<sup>58</sup>

### 1. CREDIT CARDS

Credit card accounts may be established in the name of your campaign committee. Payments to the credit lender must be made from the campaign checking account. For additional information about campaign checking accounts, please refer to Chapter 1.

If your committee uses your personal credit card, the account must have a zero balance (no outstanding personal debts) when the committee begins to use the card. Personal expenditures may not be made on that account until the campaign's balance has been paid and no other campaign expenditures will be made with that credit card.

You must maintain credit card bills and original invoices and receipts for each credit card expenditure. The credit card bill, by itself, is insufficient documentation of expenditures. You are required to **itemize each credit card expenditure of \$100 or more**, including disclosing complete vendor information on Schedule E of Form 460.

### 2. CASH

Expenditures of \$100 or more may not be made in cash. However, your campaign may disburse up to **\$50 per week** from the campaign checking account for petty cash purposes.<sup>59</sup> Receipts and other documentation must be maintained for expenditures made from the petty cash fund.

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57 Cal. Gov't Code § 84307.5.

58 Charter § 803(e); Cal. Gov't Code § 85201(e).

59 Charter § 803(i); Cal. Gov't Code § 84300(b).

## E. RETAINING RECORDS

You are required to keep expenditure records of all individual and accrued expenses. In addition, any person who supplies goods or services to your campaign must keep detailed records of any transaction involving expenditures by your campaign.<sup>60</sup> These records must be kept for at least four years and must be made available to the Ethics Commission upon request.<sup>61</sup> You should make your consultants, contractors, and vendors aware of this requirement.

### 1. INDIVIDUAL EXPENSES

For every payment of \$25 or more, your records must identify the name and full address of the vendor, sub-vendor, or payee, the amount of the expense, the date of the transaction, and a description of the good or service for which the payment was made.<sup>62</sup>

Your expenditure records must include at least:

- Receipts, bills, invoices, and work orders for expense transactions.
- Receipts and invoices for credit card or petty cash payments.
- Canceled checks, bank statements, credit card statements, and check registers.
- Contracts, including employment contracts, independent contractor agreements, and lease agreements.

### 2. ACCRUED EXPENSES

Campaign statements must contain the total amount of expenditures made during the period covered by the campaign statement, as well as an itemization of each expenditure of \$100 or more.<sup>63</sup> An expenditure is considered to be made on the earlier of the date the payment is made or incurred or the date the good or service

**Example:** You hire a campaign consultant to produce and distribute your campaign communications. You must maintain all original invoices, bills, and receipts from each of the vendors used by the consultant. It is not sufficient for you to merely keep paperwork from the consultant that lists payments made to different vendors.

<sup>60</sup> Charter § 803(m).

<sup>61</sup> Charter § 803(h); 2 CCR § 18401(b)(2).

<sup>62</sup> 2 CCR § 18401.

<sup>63</sup> Cal. Gov't Code § 84211.

is received.<sup>64</sup> Expenditures for goods or services received in one reporting period but paid in part or in full during another period are commonly referred to as “accrued” expenses.

a. Reporting Accrued Expenses.

You must report accrued expenses of \$100 or more on Schedule F of Form 460. Accrued expenses must be disclosed in the reporting period in which they are accrued and in each reporting period thereafter until the expense is paid in full. Once payment is made in full, the expense must also be reported on Schedule E.

**Example:** In December 2021, you ordered and received literature from a printer at a cost of \$2,500, but you did not pay the printer until April 2022. On the February 2022 quarterly campaign statement (the first reporting deadline after the expense was incurred), you must report the \$2,500 unpaid bill as an accrued expense on Schedule F of your Form 460. On the July 2022 filing, you must itemize the accrued expense on Schedules E and F and report a beginning balance of \$2,500, a payment of \$2,500, and a balance owed of \$0.

b. Administrative Expenses.

Regularly recurring administrative overhead expenses (rent, utilities, campaign salaries, etc.) continue from one reporting period to another. However, they do not have to be reported as accrued expenses, as long as the payment due date has not occurred by the end of the reporting period.<sup>65</sup>

Contracts with consultants and independent contractors are not considered regularly recurring administrative overhead and must, therefore, be accrued.<sup>66</sup>

c. Credit Card Bills.

Credit card bills that are not paid in full may need to be accrued and reported on Schedule F, and vendors owed \$100 or more must be reported in detail. Do not use Schedule G to report accrued expenditures for credit

64 Cal. Gov't Code § 82025.

65 2 CCR § 18421.6(b).

66 2 CCR § 18421.6.



cards. More information about accrued expenses is available in the FPPC's Campaign Disclosure Manual 2.

## F. REIMBURSING EXPENSES

### 1. PERSONAL FUNDS

**You may not make campaign-related expenditures directly from your personal funds.** You must first deposit personal funds into the campaign checking account before using them for campaign expenditures. There is one exception, which allows you to use personal funds directly to pay for your initial filing fees. Personal funds must be reported as a contribution or a loan to your campaign.

### 2. VOLUNTEERS AND PAID EMPLOYEES

Volunteers and paid employees may be reimbursed for goods, services, and travel expenses if<sup>67</sup>:

- Reimbursement is made within 45 calendar days after the expenditure was made; and
- Your treasurer received a written description of each expenditure and a dated receipt or invoice prior to reimbursement.

Itemized expenses of \$100 or more must be reported on Schedule E of Form 460. Unreimbursed expenses for goods, services, and travel must be reported as non-monetary contributions and are subject to applicable contribution limits.

### 3. AGENTS AND INDEPENDENT CONTRACTORS

Agents and independent contractors may be reimbursed for goods, services, or travel expenses if all of the following apply<sup>68</sup>:

- The expenditure was made pursuant to a written contract between you or your committee and the agent or independent contractor that provides for the reimbursement;

<sup>67</sup> 2 CCR § 18526(a)(2).

<sup>68</sup> 2 CCR § 18526(b)(2).

- Reimbursement is made within 45 calendar days after the expenditure was paid; and
- Your treasurer received a written description of each expenditure and a dated receipt or invoice prior to reimbursement.

An unreimbursed expenditure is considered an in-kind contribution and is subject to the contribution limit.

#### 4. TIME LIMIT

If reimbursements are not paid within 45 calendar days, the expenditure or provision of goods or services is considered a non-monetary contribution to your campaign and must be reported as such.

# Chapter Five Campaign Communications

## A. DISCLAIMERS

A communication is a campaign communication if both of the following are true:

- It expressly advocates the election or defeat of an LAUSD candidate or ballot measure or, taken as a whole and in context, urges a particular result in an LAUSD election; and
- It is authorized, distributed, paid for, or behested by an LAUSD candidate or committee.

A campaign communication that is paid for or authorized by your campaign must include a disclaimer that identifies your campaign.<sup>69</sup>

### 1. REQUIRED STATEMENTS

If you make or incur payments for more than 200 similar pieces of mail sent in a calendar month, the mailer must include the statement **“Ad paid for by [your committee’s name, street address, and city].”** Your or your committee’s name, street address, and city must be on the outside of each piece of mail and on at least one of the inserts included within each piece of mail.<sup>70</sup>

If you make or incur payments for 500 or more similar live or prerecorded telephone calls or payments of \$1,000 or more for a radio or television advertisement, they must include the words **“Ad paid for by [your name or your committee’s name]”** or **“Authorized by” [your name or your committee’s name].”** This does not apply to calls made personally by you or your campaign staff.<sup>71</sup>

<sup>69</sup> Cal. Gov’t Code §§ 84305, 84310, 84501 et seq.; 2 CCR § 18523.1.

<sup>70</sup> Cal. Gov’t Code § 84305.

<sup>71</sup> Charter § 803(s)(5); Cal. Gov’t Code § 84310.

Digital communication must include the statement **“Paid for by [your name or your committee’s name].”**<sup>72</sup>

The Ethics Commission recommends that disclaimers in campaign communications also include the following statement: **“Additional information is available at ethics.lacity.org.”**

## 2. DISPLAY CRITERIA

Specific display criteria apply to the disclaimer, depending on the type of communication.

### a. Print.

Disclaimers must be in at least 6-point type in a color that contrasts with the background. Disclaimers for digital communications must be in at least the same font size as a majority of the other text in the communication.<sup>73</sup>

### b. Audio.

Disclaimers for prerecorded telephone calls must be spoken at the beginning or end of the advertisement, last at least three seconds, and be read in a clearly spoken manner and in a pitch and tone substantially similar to the rest of the advertisement.<sup>74</sup>

## 3. EXCEPTIONS

Certain media are not considered advertisements under state law, and therefore do not require a disclaimer. A complete list of exceptions is provided in Cal. Gov’t Code § 84501 and includes the following:

- Wearing apparel;
- Small promotional items (e.g., pens, mugs, campaign buttons, bumper stickers); or

<sup>72</sup> Cal. Gov’t Code §§ 84504.3, 84504.6, 84504.7.

<sup>73</sup> Cal. Gov’t Code §§ 82041.5 and 84305; 2 CCR § 18435 and 18523.1.

<sup>74</sup> Cal. Gov’t §§ 84504.5, 84310; 2 CCR § 18440.

- Other items on which a disclaimer cannot be reasonably displayed in a legible typeface.

The FPPC recommends that electronic media ads, such as those appearing on websites or blogs, include **“Paid for by [your committee name and committee ID number].”**

#### 4. OTHER REQUIREMENTS

##### a. Envelopes.

If you mail 200 or more copies of a campaign communication in envelopes, the outside of each envelope must include your name and address.<sup>75</sup>

##### b. Reporting Changes to Disclaimer Information.

If the information in a disclaimer changes, you must amend the communication within five business days.<sup>76</sup>

For more information about disclaimers, please refer to the PRA and to [ethics.lacity.org/campaigns/disclaimers/](https://ethics.lacity.org/campaigns/disclaimers/).

#### B. SOCIAL MEDIA

Individual messages sent from social media accounts (Tweets, Facebook posts, etc.) do not have to include a disclaimer. However, if the message includes a link to or an attachment with a campaign communication, the linked or attached communication must include the appropriate disclaimer and be filed as a campaign communication in CEFS.

The FPPC recommends that your social media websites, such as your campaign Facebook page, include **“Paid for by [your committee name and committee ID number].”**

#### C. RETAINING RECORDS

For each campaign communication, you must retain the following records:

- An original color sample;
- The distribution date;

<sup>75</sup> Cal. Gov't Code § 84305.

<sup>76</sup> Cal. Gov't Code § 84509.

- The number of pieces distributed;
- The method of distribution; and
- Related expenditures.

You must keep records of all campaign expenditures for at least four years, and those records must be made available to the Ethics Commission upon request.<sup>77</sup>

## D. DISCLOSURE REQUIREMENTS

If you distribute or broadcast a campaign communication to 200 or more persons, you must file an electronic copy of the communication with the Ethics Commission, using CEFS.<sup>78</sup> These communications are searchable through the Ethics Commission’s Public Data Portal.

### 1. FILING DEADLINES

Campaign communications must be filed according to the deadlines below.<sup>79</sup>

<b>Within 24 hours of distribution</b>	From the first day of candidate filing week through the date of the deciding election in that race.
<b>Within 5 days of distribution</b>	All other times.

### 2. FILING DETAILS

Filings must include the documentation noted below. Acceptable formats include PDF, MP3, WAV, and MP4.

<sup>77</sup> Charter § 803(h); 2 CCR § 18401(b)(2).  
<sup>78</sup> Charter § 803(r)(3).  
<sup>79</sup> Charter § 803(s)(5).

<b>Phone calls</b>	A copy of the script and, if the call is recorded, a copy of the recording.
<b>Audio communications</b>	A copy of the script and a copy of the audio file.
<b>Videos</b>	A copy of the script and a color copy of the video file.
<b>Mailers</b>	A color copy of each version of the mailer (resulting from different languages, different audiences, modified content, etc.).
<b>Emails</b>	A color copy of the email.
<b>Electronic Advertisement</b>	A color copy of the ad and a color copy of any information or communication that is viewable by clicking a link in the ad.

The Ethics Commission is merely a repository for campaign communications, which are made available online to other candidates and members of the public. The Ethics Commission may not change, evaluate, or comment on the communications.<sup>80</sup>

<sup>80</sup> Charter § 803(r)(3).

# Chapter Six

## After the Election

Even after an election is over, you continue to have responsibilities and legal obligations.

### A. FUNDRAISING AND EXPENDITURES

You may receive contributions up to nine months after the date of the election.<sup>81</sup>

1. The contribution limit continues to apply. See Section 3.D for more information.
2. Contributions solicited or received after the election may only be used to retire campaign debt incurred for that election.<sup>82</sup>

### B. ADVANCING TO THE GENERAL ELECTION

If you advance to the general election, you must take the following steps:

#### 1. FILE A NEW FORM 12 FOR YOUR GENERAL COMMITTEE

The Form 12 you filed for the primary election is automatically voided when you file a Form 12 for the general election.<sup>83</sup>

#### 2. FILE A NEW FORM 16 FOR YOUR GENERAL COMMITTEE

The new Form 16 must be filed concurrently with the new Form 12.

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81 Charter § 803(q).

82 Charter § 803(q).

83 Charter § 803(b)(1).



### 3. FORM A NEW COMMITTEE FOR THE GENERAL ELECTION

- a. File a California Form 410. The original plus one copy must be filed with the Secretary of State's office, and a copy must be filed with the Ethics Commission.
- b. Use a different name for your general committee that includes the term "runoff" or "general."
- c. You do not have to terminate your primary committee. However, you may not use your primary committee for the general election.

### 4. OPEN A NEW CHECKING ACCOUNT FOR THE GENERAL COMMITTEE

**You may not transfer funds between your primary election committee and your general election committee.**

- a. Include the new checking account information on the Form 410 for your general committee. If you do not have a new checking account when you file your original Form 410, you must amend it to include the bank information within ten days of when you have it.
- b. File a Form 14 with the Ethics Commission within 10 calendar days of opening the checking account for your general election committee. You do not have to close your primary election checking account. However, you are responsible for maintaining adequate documentation to show that expenditures for the primary election are made from the primary checking account and expenditures for the general election are made from the general checking account.

### 5. FILE REQUIRED CAMPAIGN DISCLOSURE STATEMENTS

These statements must be filed for all of your controlled committees (e.g., primary committee, general committee, state committees, etc.).

## C. CANDIDATES ELECTED TO OFFICE

### 1. REMAINING CAMPAIGN FUNDS

Campaign funds remaining in your campaign checking account after your election to office may only be used to retire campaign debt for that election.<sup>84</sup>

### 2. OFFICEHOLDER ACCOUNTS

A candidate who is elected to office may use an officeholder committee to pay for expenses allowed under state law.<sup>85</sup> If you elect to have an officeholder committee, you must redesignate your LAUSD campaign committee for that purpose. If you have both a primary and general committee, you must choose one to redesignate as your officeholder committee. The campaign committee's California Form 410 must be amended with a new name, so that it is clear that the committee is to be used for officeholder purposes. You are responsible for maintaining separate account records for campaign and officeholder purposes once the officeholder committee is created. **Only contributions subject to the campaign contribution limit may be used to pay for campaign expenses.**

## D. TERMINATING YOUR COMMITTEE

Your campaign committee may be terminated after an election once you have done all of the following:<sup>86</sup>

### 1. ZERO OUT YOUR COMMITTEE'S CASH BALANCE

Your committee must have a zero ending cash balance on its final California Form 460.

- a. Dispose of remaining campaign funds in one of the following ways:<sup>87</sup>
  - Retire campaign debt for the election.
  - Return contributions to contributors.

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84 Charter § 803(q).

85 2 CCR § 18531.62.

86 Cal. Gov't Code § 84214; 2 CCR § 18404.

87 Cal. Gov't Code § 89519; 2 CCR § 18951.

- Donate to a bona fide charitable, educational, or similar tax-exempt non-profit organization.
- b. Stop receiving contributions or making expenditures.
- c. Eliminate all your debts or declare that you have no intention or ability to discharge all your debts. This declaration must be made under penalty of perjury on Form 460.<sup>88</sup>

## 2. FILE THE FOLLOWING DOCUMENTS

- a. All required campaign statements disclosing all reportable transactions, including the disposition of funds.
- b. Terminating Form 410.
  - File the original and one copy with the Secretary of State.
  - File a copy with the Ethics Commission.
- c. Terminating Form 460. File the original with the Ethics Commission.

You are required to file all applicable campaign statements until your committee is terminated.

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<sup>88</sup> 2 CCR § 18404(b)(2).

# Chapter Seven

## Audits

The Ethics Commission is required to conduct audits of campaign committees to ensure that campaign activity complies with state and City laws and is accurately disclosed to the public. If you raise or spend at least \$100,000, your campaign committee will be audited. All other committees that you controlled during the election cycle will also be audited.<sup>89</sup>

### A. THE PROCESS

Audits are conducted after the election is over and cannot begin until the filing deadline for the first post-election campaign statement has passed. During the audit process, the Ethics Commission will review your campaign committee's accounting and documentation. An audit guide will be provided to your committee well in advance of the audit, so that you can familiarize yourself with the audit process. Taking the time to review the guide will help you more fully understand your record retention obligations. The Record Retention List in Appendix C is also a helpful resource.

The Ethics Commission auditors will work with you during the audit to help clarify issues and resolve any potential audit findings. A written audit report is published for each committee. For more information about the audit process, please refer to the [Audit Policy](#) on the Ethics Commission's website.

### B. YOUR RESPONSIBILITIES

You must maintain detailed accounts, records, bills, and receipts necessary to prepare your campaign statements.<sup>90</sup> It is your responsibility to make sure that you obtain, at a minimum, all of the documentation specified in the Key Filings Checklist in Appendix A.

You must retain your campaign documents for at least four years after the related campaign statement is filed. You must also provide your campaign records to the Ethics Commission upon request. Please refer to the Record Retention List in Appendix C for more information.

<sup>89</sup> Charter § 803(u); Los Angeles Administrative Code § 24.41(A).

<sup>90</sup> Charter § 803(h).

# Chapter Eight Enforcement

A person who fails to comply with the campaign finance laws is subject to a variety of potential penalties. Likewise, a person who aids or abets another person in a violation of a campaign finance law is also subject to administrative enforcement.

## A. LATE FILING FEES

In addition to any other penalty that may be imposed, information and documents that are not filed on time are subject to late fees:

- Filings required by City law are subject to late fees of \$25 per day, up to \$500 per filing.<sup>91</sup>
- Filings required by state law are subject to late fees of \$10 per day, up to \$100 per filing.<sup>92</sup>

## B. ADMINISTRATIVE PENALTIES

The Ethics Commission is required to conduct investigations and enforce against violations of the campaign finance laws.<sup>93</sup> When the Ethics Commission determines that a violation has occurred, it may issue an order to do one or more of the following:

- Cease and desist from the violation.
- File required documents or information.
- Pay a monetary penalty of up to the greater of \$5,000 per violation or three times the amount that was improperly reported, contributed, spent, or received.

## C. AIDING AND ABETTING

A person who aids and abets another in a violation of the City's campaign finance laws may also be held accountable

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91 Charter § 803(x).

92 Cal. Gov't Code § 91013.

93 Charter §§ 706, 803(u), (v).

through administrative enforcement, civil actions, and criminal misdemeanor charges.<sup>94</sup>

#### D. WHISTLEBLOWER PROGRAM

The Ethics Commission is required to maintain a whistleblower hotline where you may report possible violations of the law.<sup>95</sup> A complaint may be made anonymously, but it is helpful to include your contact information and as much relevant information as possible.

#### **Whistleblower Contact Information**

**(800) 824-4825**

**[ethics.lacity.org/enforcement/#reportaviolation](https://ethics.lacity.org/enforcement/#reportaviolation)**

City law imposes strict confidentiality requirements on the investigative process, and the Ethics Commission cannot comment on the existence or nonexistence of an investigation.<sup>96</sup>

<sup>94</sup> Charter §§ 706, 803(v).

<sup>95</sup> Charter § 702(g).

<sup>96</sup> Charter § 706(a)(2); Los Angeles Administrative Code §§ 24.23(a)(4), 24.29(c).

# A. Key Filings Checklist

Form	When To File
<b>Candidate Intention Statement</b> Form 501	Before soliciting or receiving contributions or making expenditures.
<b>Declaration of Intent to Solicit or Receive Contributions</b> (Form 12)	Before soliciting or receiving contributions.
<b>Statement of Understanding</b> (Form 13)	Concurrently with Form 12.
<b>Notification of Other Controlled Committees</b> (Form 16)	Concurrently with Form 12.
<b>Committee Contact Information</b> (Form 17)	Concurrently with Form 12 and within 10 calendar days of a change in information.
<b>Statement of Organization</b> (Form 410)	Within 10 calendar days of the day your committee receives or spends (or anticipates receiving or spending) \$2,000 or more in a calendar year.
<b>Controlled Committee Bank Account Information</b> (Form 14)	Within 10 calendar days of opening a campaign checking account.
<b>Statement of Economic Interests</b> (Form 700)	By the end of candidate filing week.
<b>Statement of City-related Business</b> (Form 44)	Within 10 calendar days of conducting certain transactions with the City that affect your personal finances (once you are qualified for the ballot or as a write-in candidate).
<b>Recipient Committee Campaign Statement</b> (Form 460 or 470)	By scheduled filing deadlines throughout your campaign. See Chapter Two for specific dates.
<b>24-hour Contribution Report</b> (Form 497)	Within 24 hours after receiving a monetary contribution of \$1,000 or more from a single source during the 90 days immediately preceding the date of the election. Within 48 hours after receiving a non-monetary contribution valued at \$1,000 or more from a single source during the 90 days immediately preceding the date of the election.

Required **BEFORE** soliciting or receiving contributions

Required by the **END OF** candidate filing week.

## B. Campaign Forms

No.	Name
12	Declaration of Intent to Solicit and Receive Contributions
13	Statement of Understanding
14	Committee Bank Account Information
15	Cancellation of Declaration of Intent to Solicit and Receive Contributions
16	Notice of Other Controlled Committees
17	Committee Contact Information
18	Application for CEFS ID
44	Statement of City-related Business
410	Statement of Organization
450	Recipient Committee Campaign Statement - Short Form
460	Recipient Committee Campaign Statement
470	Officeholder and Candidate Campaign Statement - Short Form
497	24-Hour/10-Day Contribution Report
501	Candidate Intention Statement
511	Paid Spokesperson Report
700	Statement of Economic Interests

All forms are available online at [ethics.lacity.org/forms](https://ethics.lacity.org/forms).

All forms filed with the Ethics Commission are public records.



# C. Record Retention List

## Important Information and Documents

1. Contributor information, including the name, address/city/zip code, job title, employer (if self-employed, the name of the business), date of contribution, amount of contribution, and cumulative amount of all contributions from that contributor.
2. Contributor certifications for all contributions.
3. Photocopies of contribution checks and credit card transaction receipts.
4. Documentation of whether each contribution results from fundraising activity by a lobbying entity.
5. Copies of deposit receipts and deposit slips attached to the associated checks.
6. Bank statements, check registers, journals, passbooks, etc.
7. Bank debit and credit memos, including non-sufficient funds (NSF) check notices and redeposit slips.
8. Sample contributor card and website contribution page with disclaimers.
9. Color originals of all campaign communications and records to document the date of distribution, total number of pieces distributed, method of distribution, and filing with the Ethics Commission.
10. Copies of campaign scripts, recordings, and print ads.
11. Copies of notifications sent by your campaign to the Ethics Commission.
12. Documentation—such as canceled checks, invoices, receipts, bills, and contracts—for all campaign expenditures, including documentation of all sub-vendor activity.
13. Documentation of loans, including written agreements, lender names, amounts lent, due dates, and interest rates.
14. Documentation from contributors showing that certain contributions do not require aggregation, such as the *Aggregate Contribution Verification Form*, written statements from individuals authorized to speak on behalf of the contributor, or publication materials showing ownership or control of a business entity.
15. Contracts, including those for goods, services, rentals, leases, and personal loans.
16. Original invoice/receipt for each credit card transaction.
17. Original invoice/receipt for each payment made by a campaign consultant.

## D. Sample Contributor Certification

Please see the sample Contributor Certification forms on the following pages.

# For use only through the 2022 primary election.

## Contributor Certification (Required)

<b>Complete this portion if the contribution is from an INDIVIDUAL</b>	<p><b>I certify that this contribution is from my personal funds.</b></p> <p><b>Name:</b> _____</p> <p><b>Residence Address:</b> _____ <small>Street / Unit # (no PO boxes) City State Zip Code</small></p> <p><b>Job Title:</b> _____</p> <p><b>Employer / Name of Company:</b> _____</p> <p><i>Your residence address is required for the candidate to receive a match of public funds. You may provide a different contact address instead, but it cannot be matched.</i></p> <p><b>Contact Address:</b> _____ <small>Street / Unit # (no PO boxes) City State Zip Code</small></p>
<b>Complete this portion if the contribution is from a BUSINESS</b>	<p><b>I certify that this contribution is from business funds.</b></p> <p><b>Business Name:</b> _____</p> <p><b>Business Address:</b> _____ <small>Street / Unit # (no PO boxes) City State Zip Code</small></p>

**I certify the following:**

- This contribution is not being made under a false name, is not being made under another person's name, has not been reimbursed, and will not be reimbursed.
- This contribution does not cause me to exceed my contribution limit of \$XXX. I understand that all contributions I make to this candidate or committee must be cumulated. I understand that a contribution from another individual or entity whose contribution activity I control, such as a business that I own or control, must be aggregated with this contribution, and both contributions will be treated as a single contribution from me.
- I am a United States citizen or a lawfully admitted permanent resident (i.e., green card holder).
- I am not a lobbyist or lobbying firm that is prohibited from contributing under Los Angeles City Charter § 470(c)(11).
- I am not a bidder, sub-contractor, principal, or underwriting firm that is prohibited from contributing under Los Angeles City Charter § 470(c)(12) or 609(e).

**I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that all of the information in this contributor certification is true and correct.**

\_\_\_\_\_  
Name Date

\_\_\_\_\_  
Signature Title (if signing for a business)

Contribution amount:  \$800  \$500  \$250  \$100  Other: \$ \_\_\_\_\_

Contribution type:  Cash (\$30 maximum)  Check made payable to [committee name]  Credit card:

Name on Card: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

Card Number: \_\_\_\_\_ Security Code: \_\_\_\_\_

Billing Address: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

# For use only through the 2022 primary election.

## Contributor Certification (Required)

Complete this portion if the contribution is from an <b>INDIVIDUAL</b>	Complete this portion if the contribution is from a <b>BUSINESS</b>
<p>I certify that this contribution is from my personal funds.</p> <p>Name: _____</p> <p>Residence Address: _____ <i>Street / Unit # (no PO boxes)</i> _____ City State Zip Code</p> <p>Job Title: _____</p> <p>Employer / Name of Company: _____</p> <p><i>Your residence address is required for the candidate to receive a match of public funds. You may provide a different contact address instead, but it cannot be matched.</i></p> <p>Contact Address: _____ <i>Street / Unit # (no PO boxes)</i> _____ City State Zip Code</p>	<p>I certify that this contribution is from business funds.</p> <p>Business Name: _____</p> <p>Business Address: _____ <i>Street / Unit # (no PO boxes)</i> _____ City State Zip Code</p>

**I certify the following:**

- This contribution is not being made under a false name, is not being made under another person's name, has not been reimbursed, and will not be reimbursed.
- This contribution does not cause me to exceed my contribution limit of \$XXX. I understand that all contributions I make to this candidate or committee must be cumulated. I understand that a contribution from another individual or entity whose contribution activity I control, such as a business that I own or control, must be aggregated with this contribution, and both contributions will be treated as a single contribution from me.
- I am a United States citizen or a lawfully admitted permanent resident (i.e., green card holder).
- I am not a lobbyist or lobbying firm that is prohibited from contributing under Los Angeles City Charter § 470(c)(11).
- I am not a bidder, sub-contractor, principal, or underwriting firm that is prohibited from contributing under Los Angeles City Charter § 470(c)(12) or 609(e).

**I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that all of the information in this contributor certification is true and correct.**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title (if signing for a business)

Contribution amount:  \$800  \$500  \$250  \$100  Other: \$ \_\_\_\_\_

Contribution type:  Cash (\$30 maximum)  Check made payable to [committee name]  Credit card:

Name on Card: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

Card Number: \_\_\_\_\_ Security Code: \_\_\_\_\_

Billing Address: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

# For use only through the 2022 primary election.

## Contributor Certification (Required)

### ***I certify that I am an individual, and this contribution is from my personal funds.***

Name: \_\_\_\_\_

Residence Address: \_\_\_\_\_  
Street / Unit # (no PO boxes) City State Zip Code

Job Title: \_\_\_\_\_

Employer / Name of Company: \_\_\_\_\_

*Your residence address is required for the candidate to receive a match of public funds. You may provide a different contact address instead, but it cannot be matched.*

Contact Address: \_\_\_\_\_  
Street / Unit # (no PO boxes) City State Zip Code

### ***I certify that I am a business, and this contribution is from my business funds.***

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_  
Street / Unit # (no PO boxes) City State Zip Code

#### **I certify the following:**

- This contribution is not being made under a false name, is not being made under another person's name, has not been reimbursed, and will not be reimbursed.
- This contribution does not cause me to exceed my contribution limit of \$XXX. I understand that all contributions I make to this candidate or committee must be cumulated. I understand that a contribution from another individual or entity whose contribution activity I control, such as a business that I own or control, must be aggregated with this contribution, and both contributions will be treated as a single contribution from me.
- I am a United States citizen or a lawfully admitted permanent resident (i.e., green card holder).
- I am not a lobbyist or lobbying firm that is prohibited from contributing under Los Angeles City Charter § 470(c)(11).
- I am not a bidder, sub-contractor, principal, or underwriting firm that is prohibited from contributing under Los Angeles City Charter § 470(c)(12) or 609(e).

**I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that all of the information in this contributor certification is true and correct.**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title (if signing for a business)

Contribution amount:  \$800     \$500     \$250     \$100     Other: \$ \_\_\_\_\_

Contribution type:     Cash (\$30 maximum)     Check made payable to [committee name]     Credit card:

Name on Card: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

Card Number: \_\_\_\_\_ Security Code: \_\_\_\_\_

Billing Address: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

## E. Aggregate Contribution Verification Form

Please see the sample Aggregate Contributor Verification Form on the following pages.

# Aggregate Contribution Verification

*City law limits the amount that a single person may give to a single candidate for City and Los Angeles Unified School District Board of Education office. See Los Angeles City Charter §§ 470(c)(3)–(4), 803(b)(3), 803(c); Los Angeles Municipal Code § 49.7.3. To safeguard these limits, contributions made by two persons must be aggregated and treated as a contribution from a single person when one of the persons exerts a certain level of control over the other. Los Angeles Municipal Code § 49.7.4.*

**Candidate Name:** \_\_\_\_\_

**Committee Name & ID:** \_\_\_\_\_

This verification addresses the following contributions:

	Contributor Name	Date of Contribution	Amount of Contribution
A			
B			

1. Please explain the nature of the relationship between Contributor A and Contributor B:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Please identify all other persons who controlled or participated in either contributor's decision to make the contributions:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Please select one of the following boxes:

**Contributor A and Contributor B were related as follows at the time the contributions were made (check all that apply):**

- \_\_\_ One of the contributors controlled the other's contribution activity.
- \_\_\_ One of the contributors is a sole proprietorship owned by the other contributor.
- \_\_\_ One of the contributors is a business entity (partnership, corporation, LLC, etc.) in which the other contributor owned an investment interest of 50% or more or held a majority of the voting rights.

*(continued)*

- \_\_\_ The contributors are a sponsored committee and its sponsoring organization.
- \_\_\_ The contributors are business entities, and the same individuals make up a majority of both entities' boards of directors or officers.
- \_\_\_ The contributors are business entities, and the same individuals hold a majority of the ownership or voting rights in both entities.
- \_\_\_ The contributors are business entities in a parent-subsidiary relationship, and at least one of them is not publicly traded.
- \_\_\_ One of the contributors is a business entity, and the other contributor is an individual who is personally prohibited from making a contribution, participated in the entity's decision to make the contribution, and owns an investment interests of at least 20% in the entity.
- \_\_\_ One of the contributors is a committee, and the other contributor is an individual who is personally prohibited from making a contribution, participated in the committee's decision to make the contribution, and provided at least 20% of the committee's funding (either alone or in conjunction with other prohibited individuals).

**Contributor A and Contributor B were *not* related as defined in Los Angeles Municipal Code § 49.7.4 at the time the contributions were made.**

**I declare under penalty of perjury under the laws of the City of Los Angeles and the state of California that the statements in this document are true and complete.**

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Name (printed): \_\_\_\_\_

Title / Position: \_\_\_\_\_

I am:

- Contributor A or Contributor A's representative
- Contributor B or Contributor B's representative