

## **ADM-2.18 - Financial Management of Campaign Finance Fund**

### **FINANCIAL MANAGEMENT OF CAMPAIGN FINANCE FUND**

*Administrative Rule Adopted by the City Auditor Pursuant to Rule-Making Authority*

ARB-ADM-2.18

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#### **A. Purpose**

To provide a process and procedure for the financial management of monies deposited into the Campaign Finance Fund.

#### **B. Authority**

Code Section 2.10.020 authorizes the Auditor to adopt rules to ensure effective administration of the Campaign Finance Fund, including financial management.

#### **C. Rules**

**1. Purpose and Contents of Campaign Finance Fund.** The Campaign Finance Fund (Fund) is established by Code Section 2.10.020, separate from the General Fund.

a. All monies deposited to the fund shall be invested in the same manner as other City monies, and any interest earned shall be credited to the fund. The following shall be deposited into the Fund:

- 1) An amount appropriated annually by the City Council, derived from the financing system developed by the Office of Management & Finance.
- 2) Fund revenues returned by certified candidates to the Fund, pursuant to Administrative Rule ARB-ADM-2.16;
- 3) Civil penalties and other monies collected pursuant to Administrative Rule ARB-ADM-2.19;
- 4) Voluntary private contributions made directly to the fund; and
- 5) Any amounts allocated or transferred to the Fund at the request of the Auditor to provide for adequate funding.

b. Monies in the Fund shall provide, and are continuously appropriated for:

- 1) The financing of election campaigns of certified candidates for nomination or election to City Office, pursuant to Administrative Rules ARB-ADM-2.14 and ARB-ADM-2.15; and

2) The payment of administrative, enforcement, and other expenses of the Auditor in carrying out the Auditor's functions and duties under Code Chapter 2.10.

c. Adequate Funding.

1) Not later than the 10th business day following the end of the Qualifying Period before the primary election, the Auditor shall determine whether the amount deposited in the Campaign Finance Fund will be sufficient to provide the amount the Auditor estimates will be necessary to cover the Auditor's expenses and to make payments to certified candidates under Chapter 2.10 and Administrative Rules ARB-ADM-2.14 and ARB-ADM-2.15.

2) If the Auditor determines that the amount deposited in the Fund will be insufficient, the Auditor shall request the additional amount the Auditor estimates will be necessary from the City Council, subject to the annual appropriation limit detailed in section d below.

3) If the City Council does not authorize sufficient additional appropriation or if the annual appropriation limit described in section d below would be exceeded were all candidates fully funded, the Auditor shall determine by rule to decrease Fund disbursements in the following order:

a) First, the Auditor may decide to decrease the total amount of matching funds available to certified candidates;

b) Then, the Auditor may decide to decrease the initial primary and general allocations distributed to certified candidates.

c) Any reductions in Fund disbursements under this section shall be proportionate among all eligible certified candidates.

d. Appropriation Limits.

1) The financing system used for the annual Fund appropriation shall limit annual impact on City funds to two tenths of one percent without raising any new taxes or fees. (Code Section 2.10.040 A.)

2) The Auditor's expenses to administer the system should generally not exceed ten percent of the total funds deposited in the Fund for the applicable combined Primary and General Election

Periods. (Code Section 2.10.170 A.)

**2. Fund Activity and Management**

- a. The Auditor shall keep a record of all monies deposited into the Fund and the activity or program against which any withdrawal is charged.
- b. If monies credited to the Fund are withdrawn, transferred, or otherwise used for purposes other than the program or activity for which the Fund is established, interest shall accrue on the amount withdrawn from the date of withdrawal and until the monies are restored.
- c. The Auditor shall not distribute revenues from the Fund to certified candidates in excess of the total amount of monies available in the Fund.

**D. City Code References**

- 2.10.020 Management and Administration of Campaign Finance Fund
  - 2.10.040 Contents of Campaign Finance Fund
  - 2.10.170 Adequate Funding
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**History**

- Adopted by the City Auditor August 25, 2005.
- Filed for inclusion in PPD August 25, 2005.