

ADM-2.15 - Matching Funds to Certified Candidates**MATCHING FUNDS TO CERTIFIED CANDIDATES**

Administrative Rule Adopted by the City Auditor Pursuant to Rule-Making Authority
ARB-ADM-2.15

[Exhibit 1: Matching Funds Scenarios](#) (PDF Document, 100 kb)**A. Purpose**

To provide a process and procedure for requests, determination, and distribution of matching funds to eligible Certified Candidates.

B. Authority

Code Section 2.10.020 authorizes the Auditor to adopt rules to ensure effective administration of the Campaign Finance Fund. Code Section 2.10.150 also authorizes the Auditor to adopt rules and procedure for matching fund requests, determination and distribution.

C. Definitions (City Code Section 2.10.010)

1. "Matching Funds" mean revenues distributed to Certified Candidates under Section 2.10.150 in addition to the initial allocation of revenues distributed under Section 2.10.100.

2. "Initial Financial Threshold" shall be an amount equal to the amount of revenues distributed to a Certified Candidate as provided in Section 2.10.110 A. for a particular election and City Office.

a. For contested Primary and special nominating elections, the Initial Financial Threshold will be:

- i. \$200,000 for each Candidate for nomination to the office of Mayor;
- ii. \$150,000 for each Candidate for nomination to the office of Commissioner; and
- iii. \$150,000 for each Candidate for nomination to the office of Auditor.

b. For General Elections, the Initial Financial Threshold will be:

- i. \$250,000 for each Candidate for election to the office of Mayor;
- ii. \$200,000 for each Candidate for election to the office of Commissioner; and
- iii. \$200,000 for each Candidate for election to the office of Auditor.

3. "Adjusted Financial Threshold" means the Initial Financial Threshold plus the amount of any adjustment made by the Auditor in accordance with Section 2.10.145 for a particular election and City Office.

4. "Financial Threshold" means either the Initial Financial Threshold or, if the Initial Financial Threshold has been adjusted by the Auditor in accordance with Section 2.10.145, the most recent Adjusted Financial Threshold for a particular election and City Office.

D. Matching Funds Scenarios. Fictitious Matching Funds Scenarios are provided in [Exhibit 1](#) of this rule. These scenarios are intended to provide the reader with different examples of situations that trigger matching funds.

E. Rules

1. Adjusting the Financial Threshold (City Code Section 2.10.145). The amount that the Financial Threshold is adjusted (raised) will determine how much matching funds are available, if any, to Certified Candidates eligible to receive matching funds due to the adjustment.

a. The Initial Financial Threshold and subsequent Adjusted Financial Thresholds will be adjusted by the Auditor to ensure fair and equitable distribution of Matching Funds. The Auditor shall adjust the Financial Threshold for each election and office in accordance with provisions in Section 2.10.145. Each such adjustment will result in an Adjusted Financial Threshold for a particular City Office and election.

- b. If a Nonparticipating Candidate gathers Contributions or makes Expenditures in an amount that exceeds the Financial Threshold, the Auditor shall:
- i. Adjust the Financial Threshold of that election and City Office to the higher level of that Candidate's Contributions or Expenditures;
 - ii. Notify all Certified Candidates of eligibility for Matching Funds in the amount of the adjustment.
- c. If a Nonparticipating Candidate's Contributions or Expenditures, when combined with Independent Expenditures made in support of that Candidate, exceed the Financial Threshold, the Auditor shall:
- i. Adjust the Financial Threshold of that election and City Office to the aggregate of the higher level of that Candidate's Contributions or Expenditures plus the Independent Expenditures made in support of that Candidate;
 - ii. Notify Certified Candidates of eligibility for Matching Funds in the amount of the adjustment.
- d. If an Independent Expenditure is made in support of a Certified Candidate, the Auditor shall:
- i. Adjust the Financial Threshold of that election and City Office to the aggregate of the Financial Threshold plus the Independent Expenditures;
 - ii. Notify any other Certified Candidates of eligibility for Matching Funds in the amount of the adjustment.
- e. If an Independent Expenditure is made in opposition to a Certified Candidate, and the Independent Expenditure, combined with the highest level of Contributions or Expenditures for any Nonparticipating Candidate plus any other Independent Expenditures made in support of the Nonparticipating Candidate, exceeds the Financial Threshold, the Auditor shall:
- i. Adjust the Financial Threshold of that election and City Office to the aggregate of the highest level of Contributions or Expenditures for a Nonparticipating Candidate plus Independent Expenditures for that Nonparticipating Candidate plus Independent Expenditures against the Certified Candidate; and
 - ii. Notify the Certified Candidate against whom the Independent Expenditure was made of eligibility for Matching Funds in the amount of the adjustment.
- f. If an Independent Expenditure is made in opposition to a Nonparticipating Candidate, the Auditor shall:
- i. Adjust the Financial Threshold of that election and City Office to the aggregate of the Financial Threshold plus the Independent Expenditure.
 - ii. No Matching Funds will be distributed to Certified Candidates as a result of the adjustment.
- g. If there are multiple Independent Expenditures that in combination with Candidate Contributions or Expenditures exceed the Financial Threshold, the Auditor shall adjust the Financial Threshold to the highest among the combinations.
- h. If an Independent Expenditure is made in support of multiple Candidates, the Auditor shall determine the portion of the expenditure that benefits the participating or Nonparticipating Candidates in order to adjust the Financial Threshold.
- i. In calculating the Adjusted Financial Threshold, the Auditor shall not include In-Kind Contributions made to Nonparticipating Candidates that are equal to or less than the following amounts:
- i. \$12,000 for Mayor Candidates and \$9,000 for Commissioner and Auditor Candidates in aggregate for the Primary Election Period.
 - ii. \$15,000 for Mayor Candidates and \$12,000 for Commissioner and Auditor Candidates in aggregate for the General Election Period.

j. In situations not clearly addressed by these provisions, the Auditor may confer with the Citizen Campaign Commission and shall make a decision that furthers the goal of bringing greater equity and fairness to campaign financing. The Auditor may thereafter adopt an administrative rule to govern adjustments to an Initial or Adjusted Financial Threshold or determination of Matching Funds.

k. If a Candidate disagrees with the Auditor's determination on adjusting the Financial Threshold based on whether an Independent Expenditure is in support of or opposition to a Candidate, the Candidate may request that the Auditor confer with the Citizen Campaign Commission or a subcommittee of its members. The Auditor is not required to confer with the Citizen's Campaign Commission. Such request must be made within 5 business days of the determination. The Auditor may issue a revised determination as a result of such request. All determinations of the Auditor on adjustments to Financial Thresholds are final. No appeals of Financial Threshold determinations to the Hearings Officer are permitted.

2. Matching Funds Available (City Code Section 2.10.150 A)

How the Financial Threshold is adjusted (raised) will determine which Certified Candidates, if any, are eligible for matching funds.

a. Matching Funds Available. The Auditor shall authorize matching funds in an effort to bring greater equity and fairness to campaign financing. Subject to Sections 2.10.100 F. and 2.10.150 B., Matching Funds under Section 2.10.150 shall be distributed from the Campaign Finance Fund:

i. If the Financial Threshold is adjusted pursuant to Sections 2.10.145 B. and C., Matching Funds will be distributed upon request to each Certified Candidate in the amount of the adjustment to the Financial Threshold.

ii. If the Financial Threshold is adjusted pursuant to Section 2.10.145 D., Matching Funds will be distributed upon request in the amount of the adjustment to each Certified Candidate other than the Certified Candidate in whose support the Independent Expenditure was made.

iii. If the Financial Threshold is adjusted pursuant to Section 2.10.145 E., Matching Funds will be distributed upon request in the amount of the adjustment to the Certified Candidate against whom the Independent Expenditure was made. No other Certified Candidate shall receive Matching Funds as a result of the adjustment.

iv. If the Financial Threshold is adjusted pursuant to Section 2.10.145 F., no Matching Funds will be distributed to Certified Candidates.

v. If a Certified Candidate receives Matching Funds, the Candidate is not required to return those funds if Independent Expenditures that benefit that Candidate are made subsequent to distribution of Matching Funds. However, if a Certified Candidate benefits from such an Independent Expenditure, that amount of the Independent Expenditure will be subtracted to determine any share of subsequent Matching Funds, as provided in Sections 2.10.145 D. and F.

vi. If the Auditor adjusts the Financial Threshold and determines that one or more Certified Candidates may be eligible for Matching Funds, the Auditor shall reserve the amount of Matching Funds for which the Certified Candidate or Candidates may be eligible throughout the relevant Primary Election Period or General Election Period, whether or not the Certified Candidate requests such funds pursuant to Section 2.10.150. Such reserved Matching Funds are not available for distribution to other Certified Candidates as Matching Funds and will be included in the calculation of maximum Matching Funds available under Section 2.10.150 B.

3. Maximum Matching Funds Available (City Code Section 2.10.150 B)

The amount of Matching Funds distributed shall not exceed:

a. In the case of nominating primary or special elections where there is only one Certified Candidate for a particular office, 100 percent of Initial Financial Threshold for the election and City Office.

b. In the case of nominating primary or special elections where there are more than two Candidates appearing on the ballot and one or more Nonparticipating Candidates for the same office, 100 percent of the amount available under Section 2.10.110 will be divided and available to all eligible Certified Candidates.

c. In the case of general elections where one Certified Candidate and one Nonparticipating Candidate will appear on the ballot for the same election and City Office, up to an additional 150 percent of the amount available under Section 2.10.110 to be distributed to the eligible Certified Candidate.

4. Procedures for Requesting Matching Funds (City Code Section 2.10.150 B)

a. Request for Matching Funds. To be eligible to receive matching funds, a certified candidate must file a Matching Fund Request Form (AUD 210-M) with the Auditor. The deadline to file a request for matching funds shall be the applicable election date.

i. The request for matching funds shall include:

(a) The amount of matching funds the candidate believes he or she is eligible to receive;

(b) The reason he or she believes he or she is eligible to receive matching funds (i.e. independent expenditures, nonparticipating contributions, nonparticipating expenditures, etc.)

(c) The level of the Financial Threshold on which the matching funds request is based; and the date that that this Financial Threshold adjustment.

5. Matching Funds Determination and Distribution (City Code Section 2.10.150 D)

a. Notification When Financial Threshold is Adjusted. On the same day that the Financial Threshold is adjusted, the Auditor will notify all Certified Candidates electronically (via email). In addition, on the same day, the Auditor will post the new Adjusted Financial Threshold on the Auditor's website.

i. The Auditor will review Matching Fund Requests in the order in which they are received. Specifically, the Auditor will:

(a) Examine the original reports filed by the nonparticipating candidate or party making independent expenditures to determine:

(b) If matching funds have been triggered for the certified candidate; and

(c) The total amount of matching funds that have been triggered.

(d) The Auditor will then examine any previous matching fund requests from the Certified Candidate to determine how much of the applicable matching fund limit is still available.

ii. Except as provided in (3, below), the Auditor will issue a determination letter within one business day after receiving a Matching Funds Request Form from a Certified Candidate.

iii. If the request for Matching Funds is from a Certified Candidate for Auditor and the Auditor is running for re-election, the Citizen Campaign Commission shall issue a Determination Letter within one business day after receiving a written request from a Certified Candidate.

iv. The Auditor shall distribute Matching Funds within two business days after issuing the Determination Letter if the letter states that a Certified Candidate qualified for Matching Funds. The Auditor may use any distribution mechanism that is expeditious, ensures accountability and safeguards the integrity of the Fund to allow for prompt distribution of Matching Funds to Certified Candidates.

(a) After the Auditor has issued the Certified Candidate a Determination Letter granting matching funds, and before the Auditor has distributed the Matching Funds to the Certified Candidate, the Certified Candidate may consider the Determination Letter an "Accounts Receivable" for the amount of Matching Funds specified in the Determination Letter.

v. If the Determination Letter states that the Certified Candidate does not qualify for Matching Funds, the letter shall detail the reasons for this decision.

vi. Matching Fund determinations may be challenged under City Code Section 2.10.230.

F. City Code References

2.10.010 Definitions
2.10.110 Timely Distribution of Funds
2.10.145 Adjusting the Financial Threshold
2.10.150 Limited Matching Funds
2.10.230 Hearings

G. Forms

AUD 210-M Matching Fund Request

H. Exhibits

[Exhibit 1: Matching Funds Scenarios](#) (PDF Document, 100 kb)

[Forms are available for download on City Elections website.](#)

History

Adopted by the City Auditor August 25, 2005.
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