

Amendments effective May 5, 2024

Additions in blue underline; deletions in ~~red strikethrough~~

*This blackline is for reference only and does not supersede the text of the final regulation.
Not all formatting and internal reference updates are reflected.*

**PHILADELPHIA BOARD OF ETHICS
REGULATION NO. 1
CAMPAIGN FINANCE**

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SUBPART A. SCOPE; DEFINITIONS

1.0 Scope. The Board promulgates this Regulation pursuant to Philadelphia Home Rule Charter §§ 4-1100 and 8-407 and Philadelphia Code § 20-606(1)(a) to interpret Code Chapter 20-1000.

1.1 Definitions. As used herein, the following words and phrases shall have the meanings indicated.

- a. **Accounting period.** The period from January 1 of the year following the previous election that was held for the City elective office a candidate is seeking through 5:00 p.m. of the day before they became a candidate.
- b. **Agent.** An individual who acts at the direction of or is authorized to act on behalf of a candidate, a chair or treasurer of a political committee, or a political committee.
- c. **Board.** The body of members of the Board of Ethics appointed pursuant to Section 3-806 of the Home Rule Charter.
- d. **Campaign.** Includes any of the following: A candidate, the candidate's candidate political committee and its officers, and agents of any of them.
- e. **Candidate.** An individual who (i) files nomination papers or petitions for City elective office, or (ii) publicly announces ~~his or her~~their candidacy for City elective office, including a former candidate who receives ~~post-candidacy~~ contributions or makes ~~post-candidacy~~ expenditures to retire debt incurred to influence a covered election or to pay costs related to transition or inauguration to City elective office.
- f. **Candidate political committee.** The one political committee used by a candidate to receive all contributions and make all expenditures as required by Section 20-1003 of the Philadelphia Code.
- g. **City elective office.** The offices of Mayor, District Attorney, City Controller, Sheriff, City Commissioner, or City Council.
- h. **Coordinated expenditure.** An expenditure made by a spender in concert, cooperation, consultation, or collaboration with a candidate, an individual who later becomes a candidate, a candidate political committee, a political committee or other organization that is later used as a candidate political committee, or an agent or officer of any of the above. There are several types of conduct or relationships that may result in in-kind contributions, including conduct or relationships that occurred or existed before an individual became a candidate. See Subpart I for further details.

i.~~h.~~ Contribution.

- i. Any money, gifts, loans, forgiveness of debts, or things having a monetary value incurred or received by either a campaign for use in advocating or influencing the election of the candidate or by a former candidate to retire debt incurred to influence a covered election or to pay costs related to transition or inauguration to City elective office;
- ii. An in-kind contribution, as defined at Paragraph 1.1(p); or

- iii. Any money, gifts, forgiveness of debts, or loans incurred or received to pay fees and costs incurred in any civil, criminal, or administrative proceeding arising directly out of the conduct of a campaign or with respect to a covered election, such as a nomination petition challenge, a recount proceeding, or a Board investigation.

~~j.i.~~ **Contributor.** A person or political committee who makes a contribution to a candidate, litigation fund committee, or political committee.

~~k.j.~~ **Covered election.** Any primary, general or special election for City elective office.

~~l.k.~~ **Electioneering communication.** Any publicly distributed broadcast, cable, radio, print, Internet, or satellite communication (a) that promotes, attacks, supports, or opposes a candidate, or (b) that, within 50 days of a covered election, names, refers to, includes, or depicts a candidate in that covered election; provided that, however, the term shall not include: (i) sponsorship or organization of a candidate debate or forum; or (ii) any news story, commentary, or editorial by any broadcasting station, newspaper, magazine, or other periodical publication, including any Internet periodical publication, unless the station, newspaper, magazine, or publication is owned or controlled by a candidate, political committee, campaign, or political party.

~~m.l.~~ **Excess pre-candidacy contribution.** The portion of a pre-candidacy contribution to a political committee that, had it been made to a campaign for City elective office, would have been in excess of the contribution limitations set forth in Subpart B.

~~n.m.~~ **Expenditure.** The payment, distribution, loan, or advancement of money or things having a monetary value by a candidate, political committee, campaign or other person for the purpose of influencing the outcome of a covered election or to retire debt incurred to influence the outcome of a covered election or to cover expenses related to transition or inauguration to City elective office, including:

- i. For the provision of a service or other valuable thing for the purpose of influencing the outcome of the nomination or election of a candidate;
- ii. For the payment or provision of money or other valuable thing to compensate any person for services rendered to a campaign;
- iii. For an independent expenditure;
- iv. For an electioneering communication; or
- v. To obtain, defend, or challenge a candidate's place on the ballot, including payments to workers to circulate nominating petitions.

~~o.n.~~ **Former candidate.** An individual who was a candidate for City elective office becomes a former candidate:

- i. On the day after a general election, if the individual was unopposed in that election;
- ii. On the day after a primary election, if the individual concedes that election;

- iii. When the individual's opponent concedes, if the individual was opposed in a general election; or
- iv. If an election is contested, when that contest is resolved.

~~p.e.~~ **Independent expenditure.** An expenditure to influence the outcome of a covered election that is made without the cooperation or consultation of any campaign and that is not made in concert with or at the request or suggestion of any campaign.

~~q.p.~~ **In-kind contribution.**

- i. The provision of any goods or services directly to a campaign, litigation fund committee, or transition and inauguration committee without charge or at a charge that is less than the usual and normal charge for such goods or services;
- ii. The payment or agreement to pay a third party to provide goods or services to a campaign, litigation fund committee, or transition and inauguration committee if the goods and services are in fact provided; or
- iii. Any expenditure that advocates or influences the nomination or election of a candidate that is coordinated with that candidate's campaign, litigation fund committee, or transition and inauguration committee, as provided in Subpart I.

The term "in-kind contribution" does not include volunteer labor as described in Paragraph 1.10(g).

~~r.g.~~ **Litigation fund committee.** The political committee established by a candidate, campaign, or former candidate to solicit and receive contributions and make expenditures solely to pay professional fees and related costs incurred in defense of a civil, criminal, or administrative proceeding arising directly out of the conduct of that candidate's campaign or participation in ~~a~~ covered election, as described in Subpart G.

~~s.f.~~ **Person.** Any individual, a political committee, a corporation, a partnership, a sole proprietorship, or any other for-profit or not-for-profit-organization.

~~t.s.~~ **Political committee.** Any committee, club, association, political party, or other group of persons, including the candidate political committee, litigation fund committee, or transition and inauguration committee, of a candidate for office in a covered election, which receives contributions or makes expenditures for the purpose of influencing the outcome of a covered election, to retire debt incurred to influence the outcome of a covered election, or to cover expenses related to transition or inauguration to City elective office.

~~u.t.~~ **Pre-candidacy contribution.** A contribution made to a political committee that: (i) has been transferred to, or otherwise becomes available for expenditure by, a candidate for City elective office; and (ii) was made before such candidate became a candidate.

~~v.h.~~ **Pre-payment.** A payment made during the accounting period for any thing used or to be used by a campaign, including but not limited to: printed or produced campaign materials, such as sample ballots, shirts, signs, flyers, brochures, websites,

photographs, audio or video recordings; advertising time or space; office space; or services or labor.

w.~~u.~~ **Sample ballot.** A ballot distributed by a campaign or political committee that lists more than one candidate in a specific covered election and recommends that voters vote for the listed candidates.

x.~~w.~~ **SPEC account.** A segregated pre-candidacy excess contribution account, as described in Subpart J.

y.~~x.~~ **Transition and Inauguration Committee.** The political committee established by a candidate to solicit and receive contributions and make expenditures solely to pay fees and costs ~~incurred by the candidate for~~ related to the candidate's transition or inauguration ~~into~~ to City elective office, as described in Subpart H.

z.~~y.~~ **Vendor.** A person, other than a political committee, that provides services to a campaign.

SUBPART B. CONTRIBUTION LIMITS

1.2 Limits on contributions from individuals.

- a. A campaign shall not accept total contributions per calendar year of more than ~~\$3,100~~ \$3,700 from an individual, including contributions made through one or more political committees or other persons. This total includes contributions made post-election to the former candidate's candidate committee if the committee is carrying debt incurred to influence the outcome of that election.

Example for 1.2: On November 1, 2021, prior to the election, Jane Doe donates \$2,000 to Candidate A, a candidate for City elective office. After the election, former Candidate A is carrying debt from the campaign. Jane Doe may donate up to an additional ~~\$1,100~~ \$1,700 to former Candidate A before the end of 2021. In 2022, if Candidate A is still carrying debt regarding his 2021 campaign, Jane Doe can donate up to ~~\$3,100~~ \$3,700 of additional funds to Candidate A.

- b. A litigation fund committee, established as described in Subpart G by a campaign, shall not accept total contributions per calendar year of more than ~~\$3,100~~ \$3,700 from an individual, including contributions made through one or more political committees or other persons.
- c. A transition and inauguration committee, established as described in Subpart H by a campaign, shall not accept total contributions per calendar year of more than ~~\$3,100~~ \$3,700 from an individual, including contributions made through one or more political committees or other persons.

1.3 Limits on contributions from political committees, partnerships, sole proprietorships, or other forms of organization.

- a. A campaign shall not accept total contributions per calendar year of more than ~~\$12,600~~\$14,800 from a political committee, partnership, sole proprietorship, or other form of organization, including contributions made through one or more political committees or other persons. This total includes contributions made post-election to the former candidate's campaign if the committee is carrying debt incurred to influence the outcome of that election.

Example for 1.3: On November 1, 2021, prior to the election, Political Committee XYZ donates \$10,000 to Candidate A, a candidate for City elective office. After the election, Candidate A is a former candidate who is carrying debt regarding his previous 2021 campaign. Political Committee XYZ may donate up to an additional ~~\$2,600~~\$4,800 to Candidate A before the end of 2021. In 2022, if Candidate A is still carrying debt regarding his 2021 campaign, Political Committee XYZ can donate up to ~~\$12,600~~\$14,800 of additional funds to Candidate A.

- b. A litigation fund committee, established as described in Subpart G by a campaign, shall not accept total contributions per calendar year of more than ~~\$12,600~~\$14,800 from a political committee, partnership, sole proprietorship, or other form of organization, including contributions made through one or more political committees or other persons.
- c. A transition and inauguration committee, established as described in Subpart H by a campaign, shall not accept total contributions per calendar year of more than ~~\$12,600~~\$14,800 from a political committee, partnership, sole proprietorship, or other form of organization, including contributions made through one or more political committees or other persons.
- d. To qualify for the ~~\$12,600~~\$14,800 contribution limit described in this Paragraph, the finances of a sole proprietorship, partnership, or other form of organization shall be distinct and segregated from the personal finances of its proprietor or partners.

1.4 Contributions made through other persons.

- a. For the purposes of this Subpart, a contribution is made through another person, such as a political committee, when:
 - i. A person makes a donation to another person, such as a political committee, and directs, suggests, or requests, whether in a direct, indirect, express, or implied manner, that the recipient use all or part of the money to make a contribution to support a specific candidate.

A determination that such a direction, suggestion, or request was made shall be based upon all the relevant facts and circumstances; or

- ii. A person has provided the majority of the donations received by a political committee or other person, whether directly or indirectly, in the twelve months prior to the recipient's contribution to support a candidate, unless the recipient can demonstrate, based on either a last in/first out or first in/first out accounting method that money from the donor was not used to make the contribution to the campaign.
- b. For the purpose of the contribution limits, the entire amount of a contribution made through another person counts towards the contribution limits for both the original donor and the person through whom the contribution is made.

Example for 1.4(b): Joe Big makes a donation of \$5,000 to Big PAC and tells the treasurer of the PAC that he would be ever so happy if the PAC supported candidate Lucy Largo. The next day, Big PAC makes a contribution of \$5,000 to the Largo campaign.

Joe Big and Big PAC have each made a contribution of \$5,000 to the Largo campaign. The contribution from Joe exceeds the contribution limits by ~~\$1,900~~\$1,300 and therefore violates the City's Campaign Finance Law.

1.5 Doubling of Contribution Limits.

- a. If a candidate contributes \$250,000 or more of their personal resources to their own campaign since the more recent of:
 - ~~(i)~~ i. the most recent election cycle for the office sought by the candidate, or
 - ~~(ii)~~ ii. the last municipal election in which the candidate sought office,the contribution limits for all campaigns for that office shall be doubled for that year and each subsequent year up to and including the year in which the covered election occurs, except as provided in Paragraph 1.5(b).

All contributions made after either (i) or (ii) by an individual who becomes a candidate to the political committee that becomes their candidate political committee shall count toward the \$250,000 threshold regardless of whether, at the time a contribution was made, the individual was a candidate or had designated a candidate political committee.
- b. The limits for contributions to litigation fund and transition and inauguration committees (Paragraphs 1.2(b)~~&~~ and (c) and 1.3(b)~~&~~ and (c)) do not double if a candidate contributes \$250,000 or more to their own campaign.
- c. A contribution that exceeds the contribution limits at the time it is accepted by a campaign violates this Subpart even if the limits subsequently double and the contributing person's total contributions are within the doubled limits.
- d. If a campaign returns, repays, or refunds to its candidate any money the candidate had contributed from the candidate's personal resources prior to reaching the \$250,000 threshold, the returned amount shall not count toward the amount required to trigger doubling of the limits.

- e. Once the contribution limits double, they remain doubled even if:
 - i. The candidate whose contributions triggered the doubling ceases to be a candidate; or
 - ii. After the limits have doubled, a campaign returns, repays, or refunds a portion of the money contributed from the candidate's personal resources.
- f. If a candidate ~~contributes \$250,000 or more of their personal resources to their own campaign~~makes contributions to their own campaign from their personal resources that reach the threshold described in Paragraph 1.5(a), within two business days, that candidate shall deliver notification to the Board within two business days,~~that candidate shall notify the Board of this fact by postal mail or by~~ email sent to BOE.Notice@phila.gov~~the attention of the Board's Executive Director. The notification shall provide the date of the transaction that met or exceeded the \$250,000 threshold. If the \$250,000 threshold is met or exceeded before the individual becomes a candidate, the candidate shall notify the Board within two business days of becoming a candidate.~~
- g. Doubling shall be effective for all campaigns for that office, including that of the candidate who triggered the doubling, beginning on the date that the Board issues an advisory alert or other public announcement that a candidate for that office has met or exceeded the \$250,000 threshold.

1.6 No person shall make any contribution that exceeds the limits set forth in this Subpart.

1.7 A pre-candidacy contribution made in the same calendar year that an individual becomes a candidate shall count toward the contribution limits set forth in this Subpart.

1.8 The value of in-kind contributions counts toward the total amount of contributions made or accepted in a calendar year.

1.9 If a person makes an expenditure to another person, to place a candidate's name on a sample ballot, and does so in coordination with that candidate's campaign, that expenditure is an in-kind contribution to the candidate's campaign and shall count toward the contribution limits set forth in this Subpart. Any additional expenditures made by the recipient person to print or distribute the sample ballot shall not be counted as a contribution to the candidate's campaign.

1.10 Transactions that do not count toward the contribution limits. The following are not subject to the contribution limits set forth in this Subpart:

- a. Contributions from a candidate's personal resources to the candidate's candidate political committee, litigation fund committee, or transition and inauguration committee.
- b. Contributions from a candidate's candidate political committee to that candidate's litigation fund committee or transition and inauguration committee.

- c. A political committee's or other person's costs to print or distribute a sample ballot or to conduct or organize get-out-the-vote activities (such as canvassing or the distribution of campaign literature or sample ballots) when a campaign pays an amount commensurate with the services provided and the political committee or other person offers similar services to other campaigns.
- d. A political committee's costs to print or distribute sample ballots that are distributed in a candidate's ward pursuant to Paragraph 1.24(h).
- e. Any cost incurred in covering or carrying a news story, commentary, or editorial by any broadcasting station, newspaper, magazine, or other periodical publication, including any Internet periodical publication.
- f. Incidental expenditures made by persons other than campaigns that are related to Internet activity (such as the cost of hardware, software, or Internet access) that advocates or influences the election of a candidate.
- g. Volunteer labor provided to a candidate or a political committee.
 - i. Volunteer labor is work an individual provides without compensation from any entity or person for the benefit of a candidate. It may, among other things, include:
 - (1) Legal or accounting work;
 - (2) Entertainment such as a performance by a musical group or DJ; and
 - (3) Campaign work such as canvassing, working at a phone bank, or election-day get-out-the-vote activities.
 - ii. Volunteer labor does not include the donation to a candidate of:
 - (1) Equipment, such as computers, copiers, or printers;
 - (2) Resources, such as postage; or
 - (3) Materials, such as stationery or campaign literature.
 - iii. An individual engaged in volunteer labor may make incidental use of resources without such use being a contribution from the owner of the resource to the candidate for the purposes of the contribution limits. Incidental use does not include the use of resources to reproduce campaign material for public distribution.
- h. Joint payments made by two or more campaigns for campaign literature, advertising, or get-out-the-vote activities (such as canvassing or the distribution of campaign literature or sample ballots), so long as each campaign:
 - i. Pays its fair portion of the costs;
 - ii. Makes payment no later than 14 days after any other campaign; and
 - iii. Obtains and maintains appropriate documentation, including invoices and printer's samples, which shall be provided to the Board upon request.

- i. Costs incurred by a vendor that are incidental to services provided by the vendor to a campaign, so long as such costs are promptly invoiced to and reimbursed by the campaign.

SUBPART C. DATE OF ACCEPTANCE OF CONTRIBUTIONS WITH RESPECT TO THE CONTRIBUTION LIMITS

1.11 Except as provided in Paragraphs 1.12, 1.13, and 1.14, the date of acceptance of a contribution is the date that the contribution comes into the possession of a campaign. A campaign shall not designate as the date a contribution is accepted any date other than the date of acceptance as identified in this Subpart.

1.12 If a contribution is delivered to a mailbox, the date that the contribution is accepted is the date on which the campaign finds the contribution in the mailbox.

1.13 If a contribution is made by credit card through a website, the date that the contribution is accepted is the date on which the contributor submits ~~his or her~~ their credit card information on the website.

1.14 In-kind contributions.

- a. If a person makes an in-kind contribution by providing goods or services directly to a campaign, the date of acceptance of that contribution is the date that the campaign receives the goods or services.
- b. If a person makes an in-kind contribution by paying or agreeing to pay a third party to provide goods or services to a campaign, the date of acceptance of that contribution is the date the goods or services are provided or the date payment is made, whichever is earlier.

SUBPART D. ATTRIBUTING CONTRIBUTIONS MADE BY CHECK FOR THE PURPOSE OF THE CONTRIBUTION LIMITS

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

1.16 A contribution made by a check drawn on the account of a political committee is a contribution from that political committee.

1.17 A contribution made by check drawn on the account of a partnership, sole proprietorship, or other form of organization is a contribution from the partnership, sole proprietorship, or other form of organization, unless other facts demonstrate that the contribution is from the signer of the check.

SUBPART E. CAMPAIGN FINANCE DISCLOSURES

1.18 Electronic filing of campaign finance reports. Any campaign finance report or statement required by this Subpart shall be electronically filed with the Board and shall be

submitted in a format required by the Board. Upon receipt of any filing, the Board shall provide a printable receipt.

The City of Philadelphia's Campaign Finance Filing System may be found at:
<https://ethics.pub/CFFiling>

A schedule with the specific reporting deadlines may be found at:
<https://ethics.pub/CFDocs>

1.19 Candidates and candidate political committees. A candidate, a treasurer of a candidate political committee, or a candidate political committee shall file a campaign finance report or statement with the Board any time it is required to file such a report or statement with the City Commissioners. A candidate political committee shall also file a campaign finance report with the Board on the sixth Tuesday before a covered election in which that committee's candidate is participating, if the committee has made expenditures to influence the outcome of that election.

1.20 Political committees and other persons.

- a. Any time any political committee, treasurer of a political committee, or other person is required by the Pennsylvania Election Code to file a campaign finance report with the City Commissioners or the Secretary of State, that person, treasurer, or political committee shall also file that report with the Board if the report discloses or is required to disclose any:
 - i. Expenditures made or debt incurred to influence the outcome of a covered election;
 - ii. Contributions to or expenditures by the candidate political committee of a former candidate that is carrying debt incurred to influence the outcome of a covered election;
 - iii. Contributions to or expenditures by a Litigation Fund Committee established pursuant to Subpart G; or
 - iv. Contributions to or expenditures by a Transition and Inauguration Committee established pursuant to Subpart H.

Any report required to be filed pursuant to this Paragraph 1.20(a) shall be filed no later than the state law due date for filing that report.

- b. In addition to any filing required by Paragraph 1.20(a), a political committee shall file a campaign finance report with the Board on the sixth Tuesday before a covered election if the committee has made expenditures to influence that election.

- c. In addition to any filing required by Paragraphs 1.20-(a) or (b), any person, including a not-for-profit organization, shall file a report with the Board on or before any report due date set forth below, if that person, whether directly or through another person, makes or promises to make expenditures of \$5,000 or more in the aggregate for one or more electioneering communications that are published or to be published within 50 days of a covered election.

If the date of dissemination of the electioneering communication precedes the date of the expenditure for it, then the date of dissemination shall be used to determine the due date of the report. Such reports shall be due (unless the same person is required to file a report under Paragraph 1.20 (a) or (b) on the same date):

- i. on the sixth Tuesday before a covered election;
 - ii. on the fourth Tuesday before a covered election;
 - iii. on the second Friday before a covered election;
 - iv. on the Tuesday immediately before a covered election;
 - v. on the Friday immediately before a covered election; and
 - vi. for any covered electioneering communication expenditures made after the last expenditure reported under Paragraph 1.20(c)(v) above, by the 30th day after a covered election.
- d. In a report filed pursuant to Paragraph 1.20(c), if a person, other than a political committee or an individual, has segregated funds used to make expenditures into one or more accounts separate from funds not used to make expenditures, that person is only required to disclose the source of contributions deposited in the segregated accounts used to make expenditures.

An individual who files a report pursuant to Paragraph 1.20(c) is only required to disclose contributions that the individual receives or solicits in order to fund the expenditures disclosed in the report.

1.21 Content of campaign finance reports and statements.

- a. A campaign finance report filed with the Board shall disclose all contributions and other receipts received, each expenditure made, any debt incurred during the relevant reporting period, and the cash balance at the beginning and end of the reporting period.

- i. For each contribution of more than \$50, the report shall disclose the date and amount of the contribution and the contributor's name and address.

For each contribution of more than \$250, the report shall disclose the date and amount of the contribution, the contributor's name and address, and, in the case of contributions from individuals, the contributor's occupation, employer, and employer's address.

ii. For each receipt other than a contribution (such as interest income, returned checks, or refunds), the report shall disclose the name and address of the source of the funds and a description of the receipt.

iii. For each expenditure, the report shall disclose the date, amount, and recipient of the expenditure, and the recipient's address and the purpose of the expenditure.

If the filer has used a credit or charge card to make expenditures, the filer shall disclose and itemize each purchase made with such a card, not merely a lump sum payment.

iv. For each unpaid debt, the report shall disclose the name and address of the creditor, the amount of debt owed, and the date the debt was incurred, as well as a description of the debt.

The date a debt is incurred is the day on which the creditor provided the goods, services, or loan from which the debt arises.

b. If, during a reporting period, a filer has accepted contributions, made expenditures, or incurred debt of less than \$250, the filer may file a statement attesting to that fact in lieu of a full report. The statement shall set forth the filer's starting and ending balance for the reporting period.

c. If a campaign makes a payment to a person other than a political committee, whether directly by the campaign or through another person, to have the name of the campaign's candidate placed on a sample ballot or to conduct or organize get-out-the-vote activities, the campaign shall disclose not just that person to whom it made payment but also any persons whom that person pays or employs in order to provide the services promised.

1.22 Affirmation required for campaign finance filings. Any candidate, treasurer, or other individual submitting a campaign finance report or statement to the Board shall affirm that the information set forth therein is true and correct. The individual who submits the report or statement shall be liable for civil penalties if it contains any material misstatements or omissions. The affirmation required by this Paragraph shall be submitted as required by the Board.

SUBPART F. USE OF POLITICAL COMMITTEES AND CHECKING ACCOUNTS BY CANDIDATES AND CAMPAIGNS

1.23 One committee and one checking account.

a. A campaign shall use no more than one political committee and one checking account for the City elective office the campaign is seeking, into which all contributions for that office shall be deposited and from which all expenditures for that office shall be made, including expenditures to retire debt incurred to influence the outcome of a covered election.

b. If a campaign has or controls other political or non-political accounts, such accounts shall not be used for the purpose of influencing the outcome of a covered election or to retire debt incurred to influence the outcome of a covered election.

- c. A campaign may be found to control a political committee or an account if:
 - i. The candidate or an agent of the candidate or the campaign is the treasurer or chair of the political committee or a signer on, or authorized user of, the account;
 - ii. The candidate or an agent of the campaign established or registered the political committee or account; or
 - iii. The treasurer or chair of the political committee, or a signer on or authorized user of the account, is an employee of the campaign.

A campaign will not be found to control a political committee merely because the campaign and the political committee used the same attorney to complete and file registration paperwork.

- d. Except as specifically permitted by this Subpart, a campaign shall not make any expenditure related to a covered election through any other person or vendor.

An expenditure is made through another person if:

- i. The campaign provides the money to cover the specific expenditure;
- ii. The campaign selects the recipient of the expenditure; or
- iii. The campaign approves the expenditure or directs that it be made.

1.24 Permissible uses of other committees or accounts.

- a. **Payment service providers.**
 - i. A campaign may use a payment service provider (such as PayPal) to accept contributions so long as all such contributions are promptly transferred to the campaign's political committee checking account.
 - ii. A campaign may use a payment service provider to make expenditures so long as any funds used for such expenditures are drawn directly from the campaign's political committee checking account.
- b. **Savings account.** A campaign may transfer funds between the candidate political committee's checking account and a single savings account so long as:
 - i. The savings account is at the same bank as the checking account;
 - ii. The campaign deposits all contributions into the checking account before transferring such funds to the savings account;
 - iii. The campaign does not make any expenditures or withdrawals directly from the savings account, but first transfers funds to the checking account in order to make expenditures or withdrawals; and
 - iv. Within three business days of the establishment of the savings account, the candidate shall notify the Board by postal mail or email sent to the attention of the Board's Executive Director that the candidate has established a savings account.
- c. A candidate or an employee or agent of a campaign may use personal funds to make purchases for the benefit of the campaign so long as:

- i. It is reasonably necessary that such purchases are not made from the candidate committee's checking account;
 - ii. The campaign reimburses the candidate or employee or agent within 45 days of the purchase;
 - iii. The reimbursement is disclosed and accurately described in the required campaign finance report; and
 - iv. The campaign maintains documentation of the reimbursement and underlying purchase. A purchase that complies with the foregoing shall not violate Paragraph 1.23 and shall not count towards the contribution limits set forth in Subpart B.
- d. A campaign may make expenditures for advertising through a vendor if that vendor directly pays the media outlet in or on which such advertising shall appear. For such expenditures, a campaign shall obtain and maintain receipts and documentation of where and when the relevant advertising ran, which shall be made available to the Board upon request.
- e. If, in the course of providing services to a campaign, a vendor incurs costs incidental to the provision of those services, an expenditure by the campaign to reimburse the vendor for those costs shall be permissible under this Subpart so long as the costs are promptly invoiced and the reimbursement is promptly made. For such reimbursements, a campaign shall obtain and maintain appropriate receipts and documentation, which shall be made available to the Board upon request.
- f. A candidate may maintain and use a litigation fund committee established pursuant to Subpart G or a transition and inauguration committee established pursuant to Subpart H.
- g. A candidate may pay a political committee or other person to have the candidate's name placed on a sample ballot distributed by that person or to conduct or organize get-out-the-vote activities (such as canvassing and the distribution of campaign literature or sample ballots) as long as:
 - i. That political committee or other person offers similar services to other campaigns;
 - ii. The amount charged is commensurate with the services provided; and
 - iii. The candidate does not exercise control over the political committee or other person.
- h. A candidate may make expenditures through up to one political committee in addition to that candidate's campaign for the printing and distribution of sample ballots that are distributed in the candidate's ward. However, all contributions to the candidate for the City elective office being sought shall be made into the campaign's political committee.
- i. A candidate may make a contribution within the contribution limits to that candidate's political committee from a political committee controlled by the candidate, other than the candidate's litigation fund committee or transition and inauguration committee.

1.25 Multiple offices sought. If a candidate is running for more than one City elective office simultaneously, that candidate shall maintain a separate candidate political committee and checking account for each office being sought.

1.26 Requirement to provide information to the Board about a candidate political committee.

- a. A candidate who has a candidate political committee when becoming a candidate shall, within three business days of becoming a candidate, notify the Board of the following information:
 - i. The committee's name and street address (other than a P.O. box);
 - ii. The name of the bank where the committee's checking account is established; and
 - iii. The name, telephone number, email address, and street address (other than a P.O. box) of the treasurer of the committee.
- b. If a candidate does not have a candidate political committee when becoming a candidate, that candidate shall notify the Board of this fact within three business days of becoming a candidate and shall provide the Board with the candidate's street address (other than a P.O. box), telephone number, and email address.
- c. If a candidate establishes a candidate political committee after becoming a candidate, that candidate shall provide the information required by this Paragraph within three business days of the formation of the committee.
- d. If the information required by this Paragraph changes, the candidate shall notify the Board of the updated information within three business days of the change occurring.
- e. Information required by this Paragraph shall be provided on a form required by the Board and available on the Board's website at <https://ethics.pub/InfoForm> and shall be sent to the attention of the Board's Executive Director by postal mail or email.

SUBPART G. LITIGATION FUND COMMITTEES

1.27 Litigation fund committee requirements.

- a. In addition to establishing a candidate political committee, a candidate, campaign, or former candidate ~~for City elective office~~ may establish a litigation fund committee ~~with a single separate checking account~~ to solicit and receive contributions and make expenditures for the purposes described in Paragraph ~~1.27(e)~~ 1.27(d).
- b. The ~~name of a~~ litigation fund committee shall ~~include the term "Litigation Fund."~~ be a separate political committee with a single separate checking account. The committee shall have a treasurer who shall be responsible for keeping records of the committee's transactions.
- c. The name of the litigation fund committee shall include the term "Litigation Fund."
- d. A candidate, campaign, or former candidate shall make expenditures from a litigation fund committee solely to pay professional fees and related costs incurred in defense of a civil, criminal, or administrative proceeding arising directly out of the conduct of

the candidate's campaign~~'s~~ or ~~former candidate's campaign or~~ participation in a covered election, such as a nomination petition challenge, a recount proceeding, or a Board investigation.

- ~~d.e.~~ A candidate, campaign, or former candidate shall not make expenditures from a litigation fund committee to pay any judgment, settlement, fine, sanction, or other type of penalty arising out of any civil, criminal, or administrative proceeding.
- ~~e.f.~~ A candidate, campaign, or former candidate may make expenditures from a candidate political committee for the purposes described in Paragraph ~~1.27(e)~~ 1.27(d) regardless of whether they have established a litigation fund committee under this subpart.
- ~~f.g.~~ A candidate, campaign, or former candidate shall not transfer funds to a candidate political committee from a litigation fund committee. Nothing in this Subpart, however, prohibits a campaign or former candidate from transferring funds from a candidate political committee to a litigation fund committee.
- h. A candidate, campaign, or former candidate may establish a litigation fund committee at any time after the candidate either files nomination papers or petitions or publicly declares their candidacy for City elective office. Once established, a litigation fund committee must be terminated as set forth in Paragraph 1.29.

1.28 Requirement to provide information to the Board about a litigation fund committee.

- a. Within three business days of the formation of a litigation fund committee, a campaign or former candidate shall notify the Board of the following information:
 - i. The litigation fund committee's name and street address (other than a P.O. box);
 - ii. The name of the bank where the litigation fund committee's checking account is established; and
 - iii. The name, telephone number, email address, and street address (other than a P.O. box) of the treasurer of the litigation fund committee.
- b. If the information required by this Paragraph changes, the campaign or former candidate shall notify the Board of the updated information within three business days of the change occurring.
- c. Information required by this Paragraph shall be provided on a form required by the Board and available on the Board's website at <https://ethics.pub/InfoForm> and shall be sent to the attention of the Board's Executive Director by postal mail or email.

1.29 Termination of a litigation fund committee.

- a. A litigation fund committee shall be terminated no later than six months after the date of the general election for the office which the campaign or former candidate sought, except as provided in Paragraph 1.29(c).
- b. If six months after the date of the general election any matters are pending for which litigation fund committee funds may be expended, then a litigation fund committee

shall be terminated within six months after the conclusion of all such matters, including any appeals.

- c. Before a litigation fund committee is terminated, the litigation fund committee's checking account shall be closed, and any remaining funds shall be returned to contributors according to one of the methods below:
 - i. On a "last in, first out" accounting basis;
 - ii. On a "first in, first out" accounting basis;
 - iii. On a pro-rata accounting basis; or
 - iv. On such other equitable basis as may be approved by a majority vote of the Board upon application in writing by a campaign, former candidate, or treasurer of a litigation fund committee by postal mail or email sent to the attention of the Board's Executive Director at least 40 days prior to the termination deadline.
- d. The Board may grant an extension for terminating a litigation fund committee upon application at least 40 days prior to the termination deadline to the Board's Executive Director in writing that demonstrates good cause for an extension.

SUBPART H. TRANSITION AND INAUGURATION COMMITTEES

1.30 Transition and inauguration committee requirements.

- a. In addition to establishing a candidate political committee, a candidate, campaign, or ~~individual~~former candidate elected to City office ~~may~~ who wishes to solicit and receive contributions and make expenditures to pay fees and costs related to the candidate's transition or inauguration into to City elective office shall establish a transition and inauguration committee ~~with a single separate checking account to~~ solicit and receive contributions and make expenditures for the purposes described in Paragraph ~~1.30(e)~~1.30(d).
- b. The ~~name of a~~ transition and inauguration committee shall ~~include the terms "Transition" and "Inauguration."~~ be a separate political committee with a single separate checking account. The committee shall have a treasurer who shall be responsible for keeping records of the committee's transactions.
- c. The name of a transition and inauguration committee shall include the terms "Transition" and "Inauguration."
- d. A candidate, campaign, or ~~individual~~former candidate elected to City office shall make expenditures from a transition and inauguration committee solely to pay fees and costs ~~incurred for related to~~ the candidate's transition ~~and or~~ inauguration ~~into to~~ City elective office ~~of the candidate~~. Such expenditures include fees and costs associated with:
 - i. soliciting funds for the purposes outlined in this paragraph;
 - ii. payroll and consulting fees for committee staff;
 - iii. recruiting and selecting City employees as part of the candidate's transition into City office except to the extent such costs are covered by the City;

iv. temporary office space, furnishings, and equipment; and

v. catering, entertainment, rental fees, photography, and other similar costs associated with an inauguration ceremony or celebration.

Transition and inauguration committees may not be used to solicit contributions or make expenditures ~~from~~ related to the purchase of durable goods or real property.

Reelected incumbents may use a ~~candidate political committee for the purposes described in Paragraph 1.30(e).~~ transition and inauguration committee only for inauguration costs. They shall be presumed to have no valid transition costs associated with continued service in the same office.

- e. A candidate or individual elected to City office shall not transfer funds to a candidate political committee from a transition and inauguration committee. A candidate or former candidate elected to City office shall not make expenditures from a candidate political committee for the purposes described in Paragraph 1.30(d). Nothing in this Subpart, however, prohibits a campaign or former candidate from transferring funds from a candidate political committee to a transition and inauguration committee.
- f. A campaign or former candidate may establish a transition and inauguration committee at any time after the candidate either files nomination papers or petitions or publicly declares their candidacy for City elective office. Once established, a transition and inauguration committee must be terminated as set forth in Paragraph 1.32.

1.31 Requirement to provide information to the Board about a transition and inauguration committee.

- a. Within three business days of the formation of a transition and inauguration committee, a candidate or individual elected to City office shall notify the Board of the following information:
 - i. The transition and inauguration committee's name and street address (other than a P.O. box);
 - ii. The name of the bank where the transition and inauguration committee's checking account is established; and
 - iii. The name, telephone number, email address, and street address (other than a P.O. box) of the treasurer of the transition and inauguration committee.
- b. If the information required by this Paragraph changes, the candidate or individual elected to City office shall notify the Board of the updated information within three business days of the change occurring.
- c. Information required by this Paragraph shall be provided on a form required by the Board and available on the Board's website at <https://ethics.pub/InfoForm> and shall be sent to the attention of the Board's Executive Director by postal mail or email.

1.32 Termination of a transition and inauguration committee.

- a. A transition and inauguration committee shall be terminated no later than six months after the date of the general election for the office which the candidate sought.
- b. Before a transition and inauguration committee is terminated, the transition and inauguration committee's checking account shall be closed, and any remaining funds shall be returned to contributors according to one of the methods below:
 - i. On a "last in, first out" accounting basis;
 - ii. On a "first in, first out" accounting basis;
 - iii. On a pro-rata accounting basis; or
 - iv. On such other equitable basis as may be approved by a majority vote of the Board upon application in writing by a candidate, individual elected to City office, or treasurer of a transition and inauguration committee by postal mail or email sent to the attention of the Board's Executive Director at least 40 days prior to the termination deadline.
- c. The Board may grant an extension for terminating a transition and inauguration committee upon application at least 40 days prior to the termination deadline to the Board's Executive Director in writing that demonstrates good cause for an extension.

SUBPART I. COORDINATED EXPENDITURES

1.33 ~~An expenditure is coordinated with a campaign if it is made in cooperation, consultation or concert with the campaign, including the following:~~

- ~~a. The expenditure is made at the request or suggestion of the campaign;~~
- ~~b. A person suggests making an expenditure and the campaign assents to the suggestion;~~
- ~~c. The person making the expenditure communicates with the campaign concerning the expenditure before making the expenditure;~~
- ~~d. The campaign has solicited funds for or directed funds to the person making the expenditure, but only if the solicitation occurred within the 12 months before the election that the expenditure seeks to influence; or~~
- ~~e. The campaign directs, places, or arranges the expenditure; or~~
- ~~f. The person making the expenditure uses information obtained from the campaign to design, prepare, or pay for the specific expenditure at issue, unless the person has obtained that information from a public source or from a communication the campaign made to the general public. This subparagraph does not apply to the republication of campaign communications or materials, which is covered by Paragraph 1.34.~~

Coordination generally. Coordination as described in this Subpart is not itself prohibited. Coordinated expenditures as described in this Subpart are deemed in-kind contributions subject to the applicable contribution limits.

1.34 Pre-candidacy coordination.

- a. Where conduct constituting coordination occurs before an individual is a candidate, and a resulting coordinated expenditure is made before the individual becomes a candidate, such expenditure is a pre-candidacy in-kind contribution subject to Subpart J.
- b. Where conduct constituting coordination occurs before an individual is a candidate, and a resulting coordinated expenditure is made after the individual becomes a candidate, such expenditure is an in-kind contribution subject to Subpart B.

1.35 Special terms. For the purposes of this subpart:

- a. A “spender” is any person making an expenditure; and
- b. A “principal funder” is any person providing 50% or more of the funds received by a spender in the twelve months before the covered election.

1.36 Coordinated expenditures. A coordinated expenditure is an expenditure made by a spender in concert, cooperation, consultation, or collaboration with:

- a. A candidate;
- b. An individual who is a candidate at the time of the expenditure, regardless of whether they were a candidate at the time the conduct constituting coordination took place;
- c. In the case of pre-candidacy expenditures, an individual who later becomes a candidate, regardless of whether they were a candidate at the time the conduct constituting coordination took place;
- d. A candidate political committee;
- e. A political committee or other organization that is later used as a candidate political committee; or
- f. An agent or officer of any of the above.

1.37 Conduct constitutes coordination when a person listed in Paragraph 1.36(a) through (f):

- a. Communicates with the spender concerning the expenditure before it is made, including by:
 - (i) Requesting or suggesting the spender make the expenditure; or
 - (ii) Assenting to an expenditure suggested by the spender;
- b. Directs, places, or arranges the expenditure;
- c. At any time during the two years preceding the covered election, directly or indirectly establishes, maintains, or controls the spender, including by establishing, maintaining, or controlling the principal funder of the spender;
- d. Provides information to the spender to design, prepare, or pay for the specific expenditure at issue, unless the person has obtained that information from a public source or from a communication by the source of the information to the general public. This subparagraph does not apply to the republication of campaign communications or materials, which is covered by Paragraph 1.38; or

Example for ~~1.33(f)~~1.37(d): Philadelphians for Philadelphia PAC establishes a telephone bank to get out the vote for primary voters for Candidate A. Candidate A's campaign gives Philadelphians for Philadelphia a list of telephone numbers of people that contributed to Candidate A's campaign. Philadelphians for Philadelphia organizes the phone bank without any other input from Candidate A's campaign and spends ~~\$12,600~~\$14,800 to set up the phone bank and telephones individuals provided on the list from Candidate A's campaign.

The ~~\$12,600~~\$14,800 spent by Philadelphians for Philadelphia is a coordinated expenditure with Candidate A's campaign because the PAC used information obtained from Candidate A's campaign for the phone bank. As such, Philadelphians for Philadelphia has made an ~~\$12,600~~\$14,800 in-kind contribution to Candidate A's campaign.

ge. Provides instructions to the spender ~~The person making the expenditures does so based on instructions received from the campaign.~~ A public communication ~~by a campaign~~ will constitute such instructions only if:

- i. The communication includes a suggestion that the electorate or segment thereof be made aware of information identified in the communication; and
- ii. The communication suggests the manner in which the information should be presented, for example, if the communication includes a phrase such as "voters need to hear" or "voters need to see."

Despite the presence of these factors, coordination will not be found if the ~~person~~spender can demonstrate that they had an independent basis for making the expenditure.

Example 1 for ~~1.33(g)~~1.37(e): Candidate A's campaign website includes a page with text in a red box that says "Voters in South Philadelphia need to hear that Candidate A supports dog parks." Without any other input from the campaign, Philadelphians for Philadelphia PAC pays \$25,000 for a sound truck to drive through South Philadelphia playing a recording praising Candidate A for his support of dog parks.

The \$25,000 spent by Philadelphians for Philadelphia PAC is a coordinated expenditure with Candidate A's campaign because Philadelphians for Philadelphia PAC made the expenditure based on instructions from the campaign. As such, the \$25,000 spent is both an excess in-kind contribution made by the PAC and an excess in-kind contribution received by Candidate A's campaign.

Example 2 for ~~1.33(g)~~1.37(e): Candidate A's communications director tweets that "Center City voters need to see on the go that Candidate A will keep our streets clean." Without any other input from Candidate A's campaign, Philadelphians for Philadelphia PAC spends \$200,000 to send online advertisements to mobile devices in Center City with the message "Candidate A will keep our streets clean."

The \$200,000 spent by Philadelphians for Philadelphia is a coordinated expenditure with Candidate A's campaign because Philadelphians for Philadelphia PAC made the expenditure based on instructions from the campaign. As such, the \$200,000 spent is both an excess in-kind contribution made by the PAC and an excess in-kind contribution received by Candidate A's campaign.

Example 3 for ~~1.33(g)~~1.37(e): Philadelphians for Philadelphia PAC spends \$15,000 to purchase a series of full-page newspaper advertisements saying Candidate A is the only candidate who will rid Philadelphia of spotted lanternflies. Shortly before the ads begin to appear in the newspaper, Candidate A's campaign updates its website with the message, "Philadelphia voters need to read that Candidate A will rid our city of spotted lanternflies!" After the first ad is published, Board Staff contacts Philadelphians for Philadelphia PAC about the appearance of a coordinated expenditure. In response, Philadelphians for Philadelphia PAC provides a newspaper article from a month earlier in which Candidate A is quoted as saying "Only I can kill every spotted lantern fly!" The PAC also shares invoices for the ads showing that the PAC paid for them before Candidate A's campaign updated its website with the statement about the lantern flies.

The \$15,000 Philadelphians for Philadelphia PAC spent was not a coordinated expenditure because the PAC had a basis for the information in its advertisements that was independent of the information Candidate A's campaign posted on its website.

1.38 Republication of campaign communications or materials. For the purposes of the contribution limits, an expenditure made to reproduce, republish, or disseminate a campaign communication (including audio recordings or video footage) or campaign material (such as photographs, flyers, signs, or brochures) prepared by a campaign:

- a. Shall be considered an in-kind contribution made by the ~~person making the expenditure~~spender.
- b. Shall be considered an in-kind contribution received by the campaign if the ~~person making the expenditure~~spender obtains the communication or materials directly from the campaign or from another source with the consent of the campaign.

A campaign communication or campaign material is obtained with the campaign's consent if the campaign provides it to a third party for the purpose of enabling another person to (1) obtain the communication or material from that third party and (2) subsequently republish some or all of it.

- c. Shall not be considered an in-kind contribution if:
 - i. The communication or material is incorporated into a communication that advocates the defeat of the campaign that prepared the material;
 - ii. The item republished is a photograph or video obtained from a public source that is not controlled by the campaign; or

- iii. The person's expenditures for republication of a campaign's communications or materials are less than \$100 in the aggregate per reporting period.

Example for ~~1.34~~1.38(a) and (b): Three weeks before election day, Candidate A's campaign uploads five minutes of b-roll video footage to her YouTube channel. The political committee Pennsylvanians for a Better Pennsylvania downloads the b-roll footage and uses it to create a television advertisement. The committee spends \$100,000 to run the advertisement on three television stations during the week before election day.

Candidate A posted the b-roll footage for the purpose of enabling another person to obtain it. Pennsylvanians for a Better Pennsylvania obtained a campaign communication created by Candidate A's campaign with the consent of the candidate's campaign. As such, the committee's expenditure of \$100,000 was coordinated with Candidate A's campaign and is both an excess in-kind contribution made by the committee and an excess in-kind contribution received by Candidate A.

1.39 Fundraising. Where a person listed in Paragraph 1.36(a) through (f) directs or donates funds to, solicits funds for, or otherwise provides funds to the spender in the twelve months before the covered election, whether directly or indirectly, all expenditures made by that spender after the promise or receipt of such funds are coordinated.

- a. Where the spender is a nonprofit organization (other than a political committee), coordination will not be found if the nonprofit can demonstrate that the funds provided:
- i. are a bona fide membership fee or dues paid by all similarly situated members; and
 - ii. account for 5% or less of the total funds received by the nonprofit in the relevant twelve-month period.

This paragraph shall not apply to fundraising for or donating to a party as defined in 25 P.S. §1102.

1.40 Coordination by principal funders. Conduct of the principal funder of a spender shall be attributed to the spender, regardless of whether the principal funder is an agent or officer thereof. For the purposes of this paragraph, expenditures by the spender that result from coordination by the principal funder shall be attributable to both the spender and the principal funder.

~~1.35~~1.41 An expenditure will not be considered a coordinated expenditure merely because:

- a. The ~~person making the expenditure~~spender interviews the candidate;
- b. The ~~person making the expenditure~~spender has endorsed the candidate;
- c. The ~~person making the expenditure~~spender and the candidate's campaign use the same vendor, attorney, or accountant;

- d. The ~~person making the expenditure~~spender has obtained from the candidate's campaign a biography of the candidate or a position paper, press release, or similar material about the candidate; or
- e. The ~~person making the expenditure~~spender has invited the candidate to make an appearance before the ~~person's~~spender's members, employees, or shareholders.

SUBPART J. EXCESS PRE-CANDIDACY CONTRIBUTIONS

Note: The following requirements regarding excess pre-candidacy contributions are relevant only if, prior to becoming a candidate for City elective office, an individual accepts contributions in excess of the limits set forth in Subpart B.

1.361.42 The provisions of this Subpart regarding excess pre-candidacy contributions apply only to contributions received during the accounting period.

Example for 1.361.42: On December 1, 2020, Candidate A declares her candidacy for the May 2021 Controller primary election. The accounting period for Candidate A is January 1, 2018 through November 30, 2020. The last Controller election was held in 2017 so January 1, 2018 would be the first day of the year following that election.

1.371.43 Prohibited Expenditures.

- a. A campaign shall not spend any excess pre-candidacy contributions for the purposes of: influencing the outcome of a covered election in which the campaign's candidate is a candidate; transition or inauguration expenses; or retiring debt that was incurred to either influence the outcome of an already completed covered election or cover transition or inauguration expenses related to an already completed covered election.
- b. A campaign shall not transfer excess pre-candidacy contributions to the candidate's litigation fund committee established pursuant to Subpart G or the candidate's transition and inauguration committee established pursuant to Subpart H.

1.381.44 Exclusion of excess pre-candidacy contributions upon becoming a candidate.

- a. Except as provided in Paragraph 1.391.45, within ten days after an individual becomes a candidate, their campaign shall exclude all excess pre-candidacy contributions from its candidate political committee's checking account by one of the following methods:
 - i. Transferring excess pre-candidacy contributions to a segregated account; or
 - ii. Returning excess pre-candidacy contributions to their contributors.
- b. **Calculation of amount to be excluded.** A campaign shall determine the amount to be excluded by using one of the following methods:
 - i. **Dollar-for-dollar calculation.** A campaign shall exclude an amount equal to the total amount of excess pre-candidacy contributions received during the accounting period.

Example for ~~1.38~~1.44: On November 1, 2020, Friends of Candidate A receives a contribution of ~~\$3,500~~\$4,100 from Mr. B (~~\$3,100~~\$3,700 within limits, \$400 excess) and a contribution of ~~\$3,500~~\$4,100 from Ms. C (same). On December 1, 2020, Candidate A declares her candidacy for the May 2021 Controller primary election. By December 11, 2020, Friends of Candidate A must exclude \$800 (\$400 excess from Mr. B + \$400 excess from Ms. C) from its checking account.

- ii. **Accounting-based calculation.** A campaign need not exclude any excess pre-candidacy contributions that the campaign demonstrates, using either a last in/first out or first in/first out accounting method, were actually spent pre-candidacy, provided that:
 - (1) Before accounting for the expenditure of any excess pre-candidacy contributions, an accounting shall be made for the expenditure of the balance of the committee account as it existed on the day before the start of the accounting period; and
 - (2) Pre-payments that were made by the candidate's political committee shall not constitute expenditures of excess pre-candidacy contributions using this accounting method.
- c. If the amount that the campaign shall exclude from the candidate political committee's checking account exceeds the amount of cash the committee has on hand, the campaign shall use incoming contributions to cover the amount that shall be excluded.

~~1.39~~1.45 Pre-candidacy segregation. A campaign need not exclude any excess pre-candidacy contributions that, upon receipt, the campaign had transferred to a segregated pre-candidacy excess contribution account ("SPEC account"), provided that, if the campaign used any funds in a SPEC account for pre-payments, the campaign shall exclude from the candidate committee account an amount equal to those pre-payments. Funds transferred into a SPEC account that were not used for pre-payments need not be included in accounting for the exclusion of excess pre-candidacy contributions under either calculation method described in Paragraph ~~1.38~~1.44.

Example 1 for ~~1.39~~1.45: On November 1, 2020, Friends of Candidate A receives a contribution of ~~\$3,500~~\$4,100 from Person B (~~\$3,100~~\$3,700 within limits, \$400 excess) and a contribution of ~~\$3,500~~\$4,100 from Person C (same). On November 2, 2020, Candidate A transfers \$1,000 from the checking account of the candidate political committee to a SPEC account. On December 1, 2020, Candidate A declares her candidacy for the May 2021 Controller primary election. Friends of Candidate A has already segregated Person B and Person C's excess contributions and therefore does not need to exclude any other money from its checking account.

Example 2 for ~~1.39~~1.45: On November 1, 2020, Friends of Candidate A receives a contribution of ~~\$3,500~~\$4,100 from Person B (~~\$3,100~~\$3,700 within limits, \$400 excess) and a contribution of ~~\$3,500~~\$4,100 from Person C (same). On November 2, 2020, Candidate A transfers \$800 from the checking account of the candidate political committee to a SPEC account. On November 30, 2020, Candidate A spends \$800 from the SPEC account on fliers to be used in the upcoming election. On December 1, 2020, Candidate A declares her candidacy for the May 2021 Controller primary election. By December 11, 2020, Friends of Candidate A must exclude \$800 from its checking account. While Candidate A segregated the \$800 in excess contributions received from Person B and Person C, she spent \$800 from the SPEC account on pre-payment expenditures during the accounting period and must therefore exclude an amount equal to those pre-payments from the Friends of Candidate A checking account.

~~1.40~~1.46 A campaign shall not use money held in a SPEC account to influence the outcome of a covered election in which the campaign's candidate participates, to retire debt incurred to influence the outcome of a covered election or to cover expenses related to transition or inauguration to City elective office.

~~1.41~~1.47 Within seven days of establishing a SPEC account, a campaign shall notify the Board of the name of the bank at which the account was established by postal mail or email sent to the attention of the Board's Executive Director.

SUBPART K. RETIRING DEBT

~~1.42~~1.48 Except as provided in Paragraph ~~1.43~~1.49, forgiveness of debt incurred to influence the outcome of a covered election or to cover transition or inauguration expenses is a contribution from the creditor and is subject to the contribution limits set forth in Subpart B.

~~1.43~~1.49 If a debt owed by a former candidate is not collectible as defined below, a creditor may forgive the debt without such forgiveness being subject to the contribution limits set forth in Subpart B. A debt is not collectible if all of the following are true:

- a. The creditor billed the candidate for its services in the ordinary course of its business and the terms of the transaction were commercially reasonable;
- b. The debt has been outstanding for at least 24 months;
- c. The candidate political committee does not have sufficient cash on hand to pay the creditor;
- d. Forgiveness of the debt is not prohibited by any other relevant law; and
- e. The creditor notifies the Board by postal mail or email sent to the attention of the Board's Executive Director of its intent to forgive the debt and demonstrates that all the conditions set forth in this Paragraph have been satisfied.

If the creditor has provided all the necessary information, the Executive Director shall present the request to the Board at a public meeting. The Board shall either approve or disapprove the proposed debt forgiveness. The Executive Director shall inform the creditor in writing whether or not the Board has approved the forgiveness of debt.

The forgiveness of debt is subject to the post-candidacy reporting requirements set forth in Subpart E.

SUBPART L. PENALTIES

1.441.50 Acceptance of an excess contribution. A candidate, candidate political committee, or litigation fund committee that accepts a contribution in excess of the limits described in Subpart B shall be subject to a civil monetary penalty of three times the amount by which the accepted contribution exceeded the limit, or \$2,000, whichever is less.

1.451.51 Making an excess contribution. A contributor who makes a contribution in excess of the limits described in Subpart B shall be subject to a civil monetary penalty of three times the amount by which the contribution exceeded the limit, or \$2,000, whichever is less.

1.461.52 Safe harbor if an excess contribution is returned within 15 days. No civil monetary penalty shall be imposed for an excess contribution if the campaign that accepted the excess contribution within fifteen days after receiving the contribution:

- a. Returns the excess amount to the contributor; and
- b. Provides the following information to the Board's Executive Director by postal mail or email: the amount of the excess contribution, the identity of the contributor, the date of receipt, and the date of return.

1.471.53 Failure to file campaign finance disclosures. If a political committee fails to file a campaign finance report or statement with the Board as required by Subpart E, the committee and its treasurer shall be jointly and severally subject to a civil monetary penalty of \$250. If a candidate fails to file a campaign finance report or statement with the Board as required by Subpart E, the candidate shall be subject to a civil monetary penalty of \$250.

Each day the report or statement is not filed shall be considered a separate offense for which an additional separate civil monetary penalty of \$250 may be imposed. The total civil penalties that may be imposed for failure to file a particular report or statement shall not exceed \$2,000 for the first thirty days the report is not filed, plus \$1,000 for each additional thirty-day period or part thereof the report or statement is not filed.

1.481.54 Material misstatements or omissions. If a campaign finance report filed with the Board contains material misstatements or omissions, the individual who filed the report shall be subject to a civil monetary penalty of \$1,000 for each such misstatement or omission. If the report is filed on behalf of a political committee, the individual who filed the report and the committee shall be jointly and severally liable.

1.491.55 Misuse of political committees or accounts. If a campaign uses a political committee or account in violation of the requirements set forth in Subpart F, G, or H the candidate shall be subject to a civil monetary penalty of \$1,000.

~~1.50~~1.56 Excess pre-candidacy and candidacy contributions.

- a. If a campaign fails to exclude any excess pre-candidacy or candidacy contributions from its candidate political committee, as required by Subpart J, the candidate shall be subject to a civil monetary penalty of \$1,000.
- b. If a campaign or the committee of a former candidate spends excess pre-candidacy or candidacy contributions in violation of the prohibitions of Subpart J, the candidate shall be subject to a civil monetary penalty of \$1,000, for which their candidate political committee shall be jointly and severally liable if such expenditures were made from that committee.

~~1.51~~1.57 Failure to provide committee or account information to Board. If a campaign fails to provide information to the Board about a political committee or account as required by Subpart F, G, H or J, the candidate shall be subject to a civil monetary penalty of \$1,000.

~~1.52~~1.58 Other violations of the campaign finance law. All other violations of the campaign finance law are subject to a civil monetary penalty of \$1,000 per violation.

~~1.53~~1.59 Increase or decrease of civil monetary penalty. A penalty imposed pursuant to Paragraph ~~1.48~~1.54, ~~1.49~~1.55, ~~1.50~~1.56, ~~1.51~~1.57, or ~~1.52~~1.58 shall be increased or decreased as follows:

- a. Mitigating factors. The civil monetary penalty of \$1,000 shall be reduced by \$500 if one of the following mitigating factors is present and shall be reduced by \$750 if more than one of the following mitigating factors are present:
 - i. Good faith effort to comply. The violator is found to have made a good faith effort to comply with the law.
 - ii. Prompt corrective action. The violator is found to have taken prompt corrective action where corrective action was possible to remedy the violation.
 - iii. Prompt self-reporting. The violator is found to have reported promptly the violation to the Board of Ethics.
- b. Aggravating factors. The civil monetary penalty of \$1,000 shall be increased by \$1,000 for each of the following aggravating factors that is present, provided that the total civil monetary penalty that may be imposed for one violation shall not exceed \$2,000:
 - i. Intent. The violator is found to have acted knowingly. An act is done knowingly if done voluntarily and intentionally and not because of mistake or accident or other innocent reason.
 - ii. Repeat violation. The violator previously has been found by the Board of Ethics in an administrative adjudication or by a court of competent jurisdiction to have violated the same provision.
 - iii. Obstruction of investigation. The violator is found to have obstructed the investigation of the Board of Ethics into the same violation.

Approved for public comment by the Board December 18, 2006
Effective January 17, 2007
Amendment approved by Board August 21, 2007
Effective September 21, 2007

Proposed amendments approved for public comment by Board on July 21, 2010 to expand the Regulation to address the requirements, other than electronic filing, of the City's campaign finance law, Philadelphia Code Chapter 20-1000, as that law was amended in June 2010. The amendments to Regulation No. 1 completely strike and replace the original text of the regulation and delete the original exhibit.

Public hearing held September 8, 2010
Adopted by Board with modifications September 15, 2010
Effective September 27, 2010

Proposed amendments approved for public comment by Board May 11, 2011 to, among other things, reflect the April 2011 amendment to Philadelphia Code § 20-1002(2). Public hearing held June 15, 2011

Adopted by Board July 20, 2011
Effective August 11, 2011

Proposed amendments approved for public comment by Board on January 18, 2012 to reflect the City Finance Director's certification of January 2012 adjustments to the maximum annual contribution limits.

Effective March 2, 2012
Proposed amendments approved for public comment by Board on December 19, 2012
Public hearing held January 23, 2013
Adopted by Board with modifications February 20, 2013
Effective March 8, 2013

Proposed amendments approved for public comment by Board on July 16, 2014
Public hearing held September 17, 2014
Adopted by Board with modifications October 15, 2014
Effective October 31, 2014

Proposed amendments approved for public comment by Board on September 21, 2016
Public hearing held October 19, 2016
Adopted by Board with modifications November 16, 2016
Effective December 2, 2016

NOTE: As part of its November 16, 2016 vote to approve a proposed amendment to this Regulation, the Board authorizes staff to update examples set forth in this Regulation from time to time as necessary in order to ensure that they reference current contribution limits, covered elections, and reporting periods.

Amendments effective May 5, 2024
Additions in blue underline; deletions in ~~red-strikethrough~~

Proposed amendments approved for public comment by Board on September 12, 2018
Public hearing held October 17, 2018
Adopted by Board with modifications November 28, 2018
Effective December 10, 2018

Proposed amendments approved for public comment posting by Board on September 16, 2020
Effective October 26, 2020

Proposed amendments approved for public comment posting by Board on July 22, 2022
Public hearing held August 17, 2022
Adopted by Board with modifications September 21, 2022
Effective October 3, 2022

Proposed amendments approved for public comment posting by Board on February 21, 2024
Public hearing held March 20, 2024
Adopted by Board April 17, 2024
Effective May 5, 2024