



**CITY OF PHILADELPHIA  
BOARD OF ETHICS**

**Re: Recent Amendment to Ethics Board Regulation No. 1 (Campaign Finance)**

**Date: November 4, 2014**

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The Philadelphia Board of Ethics recently amended Regulation No. 1 (Campaign Finance) to provide greater detail on several aspects of the City's campaign finance law. The amendment became effective on October 31, 2014.

The amended Regulation:

- Specifies that an expenditure is coordinated with a candidate's campaign if the candidate's 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.  
(Paragraph 1.39)

- Provides more detailed guidance on when an expenditure by another person to republish communications or materials created by a candidate's campaign will constitute an in-kind contribution to that candidate. In particular, the Regulation now provides that:
  - o Such an expenditure will always be considered an in-kind contribution made by the person making the expenditure.
  - o Such an expenditure will only be considered an in-kind contribution received by the candidate if the person making the expenditure obtains the communication or materials directly from the candidate's campaign or from another source with the consent of the candidate's campaign.

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

- o An expenditure to republish communications or materials created by a candidate's campaign will not be considered an in-kind contribution if:
  - i. The communication or material is incorporated into a communication that advocates the defeat of the candidate that prepared the material;
  - ii. The item republished is a photograph obtained from a public source; or
  - iii. The person's expenditures for republication of a candidate's communications or materials are less than \$100 in the aggregate per reporting period;

(Paragraph 1.40)

- Adds more detailed guidance to Subpart I on how to handle excess pre-candidacy contributions. In particular, the amendment:
  - o Creates the concept of an Accounting Period (see definition at Paragraph 1.1(a)) in order to give candidates a specific period of time in which they have to track and account for excess Pre-Candidacy Contributions;
  - o Creates the concept of Pre-payment (see definition at Paragraph 1.1(v)) in order to identify the limited, specific pre-candidacy expenditures for which a candidate will have to account;
  - o Adds a provision at Paragraph 1.44(b) which sets forth two methods by which candidates can calculate how much money they need to exclude from their candidate political committee checking accounts; and
  - o Adds a provision at Paragraph 1.45 which provides that if an individual segregates excess pre-candidacy contributions before becoming a candidate, those funds do not need to be included when accounting for the exclusion of excess pre-candidacy contributions upon becoming a candidate.
- Identifies two additional types of transaction that do not count towards limits, specifically:
  - o 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; and
  - o Incidental expenditures made by persons other than candidates' 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.(Paragraph 1.11)
- Includes more detailed guidance on how to determine the date of receipt of an in-kind contribution.  
(Paragraph 1.15)
- Clarifies that political committees are required to file copies of campaign finance reports filed with the City Commissioners or the Department of State if those reports disclose debt incurred to influence a covered election.  
(Paragraph 1.21)
- Clarifies that if a candidate is running for more than one City elective office simultaneously, he or she shall maintain a separate candidate political committee and checking account for each office being sought.  
(Paragraph 1.25)