



Campaign Finance Handbook

2021 Election Cycle | version 3

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City
Hall



New York City Campaign Finance Board

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Preface

The Campaign Finance Handbook is published by the New York City Campaign Finance Board for all candidates running—or considering running—for one of the offices covered by the Campaign Finance Act: mayor, public advocate, comptroller, borough president, and City Council member.

What is the Campaign Finance Board?

In the late 1980s, New York City enacted several ethics reforms intended to bring greater accountability to the political system. With the Campaign Finance Act (the Act), city legislators resolved to address the public perception that large political contributions purchased special access to elected officials. When the Act was signed into law by Mayor Ed Koch on February 29, 1988, New York City became the largest municipality in the nation to adopt publicly financed elections via the Campaign Finance Program (the Program). On November 8 of that year, the public overwhelmingly approved a City Charter amendment establishing the independent and nonpartisan Campaign Finance Board (CFB).

The CFB enhances the role of New York City residents in elections. The CFB's mission is to increase voter engagement and participation, reduce the barriers to running for city office, diminish the corrupting influence of money in city elections, enhance the role of small contributors in funding campaigns, and inform the public about candidates and elections.

What is My Campaign's Relationship with the CFB?

Your relationship with the CFB begins as soon as you open a committee and lasts until well after Election Day through the audit process.

- ❖ **Register.** Before you begin raising money, you must register with the CFB. See [page 3](#). If you decide to join the Matching Funds Program — as most candidates do — you must submit your [Certification](#) for the 2021 citywide elections no later than April 26, 2021 (the ninth Monday preceding the primary election). See <https://www.nyccfb.info/candidate-services/disclosure-deadlines/2021>.
- ❖ **Disclose.** For the first three years of the election cycle (the three years preceding the election year), registered candidates must file disclosure statements with the CFB twice a year, in January and July. During the election year, you must file more frequently, especially just before the primary and general elections. Following the election year, you must file every January and July until your campaign has satisfied all outstanding liabilities, and appropriately disposed of all assets. This handbook teaches you how to file, what to file, when to file, and about the application the CFB provides so you can track your contributions and expenditures and file accurate disclosure statements beginning on [page 57](#).
- ❖ **Post-election.** Your relationship with the CFB continues past Election Day. Following the election year, you will continue to provide documentation requested by the CFB's Audit Unit, respond to your audit requests, and respond to any violation notices you may receive. Additionally, you must continue to file disclosure statements every January and July until your campaign has satisfied all outstanding liabilities, and appropriately disposed of all assets.

What is an Election Cycle?

An **election cycle** is the period leading into and through an election. It begins on the first date you can register your committee for the upcoming election and ends in January of the year following the election, although your relationship with the CFB continues after the election cycle.

This handbook contains references to the 2021 election cycle, which began on January 13, 2018, and runs through January 14, 2022.

What Does the Campaign Finance Act Require of My Campaign?

The Act requires all candidates running for mayor, public advocate, comptroller, borough president, and City Council member in New York City to register their campaigns with the CFB and provide comprehensive disclosure, on a regular schedule, about the money they raise and spend. The Act sets contribution limits and restrictions, which are enforced by the CFB. After the election, the CFB performs a comprehensive audit of every campaign. Throughout the election cycle, the CFB makes your campaign finance information public on its [website](#).

What is the Campaign Finance Program?

The Program is a voluntary public funds program available to candidates running for New York City office. Candidates who join the Program agree to comply with [spending limits](#) and lower contribution limits, and can qualify for matching funds.

To participate in the Program for the 2021 citywide elections, you must submit a Certification no later than April 26, 2021 (the ninth Monday preceding the primary election).

Should I Join the Program?

The most common reason to join the Program is the opportunity to receive public funds so you can run a competitive campaign. Under the Program, contributions you receive from individual New York City residents are eligible to be matched at an \$8-to-\$1 rate. Up to \$175 per contributor will be matched for candidates running for borough president and City Council, and up to \$250 for candidates seeking citywide office.

The Program gives small contributions a big impact. For example, a \$20 matchable contribution is worth \$180 to your campaign—the original \$20 plus \$160 in public funds. A \$100 matchable contribution garners \$800 in public funds for a total of \$900. By matching these modest contributions, the Program allows you to fundraise by reaching out to all members of the community you want to represent, instead of concentrating on big donors. This means New York City residents have a larger voice in their elections because their contributions are eligible to be matched with public dollars.

For the 2021 Election Cycle, candidates can choose to be in the Old Program (Option B). It maintains the lower matching rate of \$6-to-\$1 and higher individual contribution limits in place before the 2018 Charter Revision Commission. See [page 10](#) for all Program rates and limits.

For detailed information and analysis about the Program's effect in city elections, check out the [CFB's post-election reports](#) online.

Do I Have to Participate in the Program?

Participating in the Program is voluntary. If you do not register as a participant by April 26, 2021 (the ninth Monday preceding the primary election) or the 14th day following the proclamation of a special election, you will be a **non-participant**. Non-participants are not eligible to receive public funds, and they are not subject to spending limits. Non-participants may contribute an unlimited amount of personal funds directly to their own campaigns. Certain contribution limits and source prohibitions apply to all campaigns, regardless of your participation in the Program (see [page 9](#)). Non-participants must disclose all financial activity and receive an audit as do all candidates.

How Do I Use This Handbook?

This handbook is organized to follow your interaction with the CFB from the very beginning—forming a committee and registering with the CFB—through the audit process after the election. The Handbook also refers to forms, templates, guidance documents, and other resources, all of which can be found on the CFB’s website, www.nycffb.info.

To help provide examples, this handbook refers to a sample candidate running for City Council, Sophia Rosario, who is participating in the Program that took effect on January 12, 2019. Her committee’s name is Sophia for Council. Throughout the Handbook, you will find icons to alert you to important information, facts, and tips to meet CFB requirements.



COMPLIANCE ALERT

Indicates vital, compliance-related information. Pay very close attention to these alerts.



CONTACT US

Indicates you should contact the CFB (by phone or email) for additional information before proceeding.



REMINDER

Indicates important information that is useful to remember throughout the election cycle, even though it may not be required.



C-SMART

Indicates mandatory instructions and highlights optional features of C-SMART, the CFB’s financial reporting application.

This post-it is for highlighting best practices for campaigns to follow. The best practices are optional but help campaigns maintain compliance.

What If I Need More Help?

In addition to this handbook, the CFB provides many resources to campaigns to help them with compliance:

- ❖ The **Candidate Services Unit** is dedicated to helping campaigns comply with the Act and Program requirements. A Candidate Services liaison is assigned to each newly registered campaign. Your liaison will send you alerts and reminders about filings and answer questions you have during the election cycle.
- ❖ **C-SMART** is the web-based application the CFB provides to campaigns for recording and disclosing all their financial activity. C-SMART alerts campaigns when entries are missing required information or violate the law or rules (e.g., if you enter a contribution that is over the limit for your office). Campaigns are required to use C-SMART.
- ❖ Candidate Services staff conduct **New to the CFB, Compliance, C-SMART and Statement Review trainings**. New to the CFB is an optional training that is geared toward first-time candidates and their campaign staff. It provides an overview of some of the expectations and demands of running for city office. Compliance and C-SMART are mandatory for candidates, treasurers, and campaign managers. The Statement Review optional training is designed to help campaigns understand the pre-election audit process, and, more specifically, how to respond to statement reviews.
- ❖ **C-Access** is a personalized CFB website that gives you secure access to your campaign's financial and committee information. It is also a secure online portal for information about your campaign. You will receive your C-Access account information when you register with the CFB. Your account is linked to your registered email address so you'll receive email alerts when new items are posted. C-Access is where you will receive timely compliance-related documents, as well as audit and legal notices that contain important deadlines for your campaign to respond. If you join the Program, C-Access also shows your progress toward qualifying for public funds.
- ❖ The CFB's [website](#) has a section devoted to candidates, containing:
 - [forms and templates](#)
 - [disclosure statement deadlines](#)
 - [limits and thresholds](#)
 - [training schedule](#)
 - [special election information](#)
 - [guidance documents](#)
 - [the full text of the Act and the Rules](#)
 - [a PDF of this handbook](#)
 - [C-SMART Help](#)

This handbook is intended as a general reference guide only and provides plain-language guidance to complying with the [Campaign Finance Act \(the Act\)](#), [Board Rules \(the Rules\)](#), and [New York State Election Law](#). Campaigns should review the Act and Rules in their entirety, as this handbook cannot cover every aspect of compliance with the Act and Rules and is not intended to replace or to be inclusive of all laws and statutes governing elections and the Campaign Finance Program.

Opening and Managing Your Committee

This chapter covers the basic steps to open and manage your committee.

The Basics

- ◆ Register with the CFB.
- ◆ Attend a CFB Compliance and C-SMART training.
- ◆ Set up a system of internal controls to ensure the appropriate use of your campaign's money, accurate recordkeeping, and complete documentation of all transactions.
- ◆ Enter all transactions in C-SMART as they occur.
- ◆ Always keep the originals of your documentation.

What Do I Do First?

Before you register with the CFB, there are a number of things to consider, including the following.

The Office You Might Seek

Are you running for City Council, borough president, comptroller, public advocate, or mayor? All candidates for these offices must register with the CFB and follow its rules and requirements. You must disclose the office you are seeking when you register with the CFB.

Picking a Treasurer

Choose your treasurer carefully — this is the key person responsible for compliance with the CFB and, along with the candidate, is responsible for:

- ◆ accurately reporting transactions
- ◆ properly maintaining your campaign's documentation
- ◆ submitting disclosure statements to the CFB

Your treasurer can be paid or a volunteer, but the position is a serious time commitment, both before and after the election.

Note: Even though candidates may be their own treasurer, it is not recommended because the reporting and documentation requirements are very time consuming.

Naming Your Committee

Choose a committee name that is simple, clear, and easy to remember. If you ran for office in the past, do not use a name that could be confused with the name of your old committee(s). Keep in mind that contributions must be payable to your committee, so choose a name that is short and easy for contributors to remember. Your committee name should include the first and/or last name of the candidate.

Now you are officially ready to open your committee.

How Do I Open My Committee?

1. Get an Employer Identification Number (EIN)

You must get an EIN for your committee from the Internal Revenue Service (IRS), even if you do not intend to have any employees. Apply for an EIN online at www.irs.gov or call the Business and Special Tax Line at (800) 829-4933.

2. Open a Committee Checking Account

You must open a new checking account in the name of your committee. You cannot use a checking account from a past election cycle. To open an account:

- ❖ Make sure the bank will give you the front and back of canceled checks—this is a basic CFB requirement. Either a physical canceled check or a scanned image of the front and back of the canceled check is acceptable.
- ❖ Get a debit card for the account. Using a debit card is the most convenient way to pay for and track your committee's expenses.
- ❖ Make sure committee checks have your committee's name pre-printed on them.
- ❖ Inquire about online banking, which provides instant access to your account's financial activity. It could also allow you to download the front and back of canceled checks and your bank statements.
- ❖ Keep your username and password to your online banking account and your PIN number for your debit card in a safe and secure location. Limit the number of individuals with access to this information.



COMPLIANCE ALERT

Your committee cannot start raising or spending any money until it is registered with the CFB.



REMINDER

If you ran for a covered office in a past election cycle, make sure the name of your new committee is different from any prior committee.



COMPLIANCE ALERT

If you have an old committee open, its financial activity will be scrutinized to make sure it relates **only to past election matters**, such as payments of debt. Do not unnecessarily prolong the life of a previous committee even if it is dormant. If you wish to receive public funds, you must have only one committee active in the election cycle.

- ◆ Ask if the bank provides itemized deposit slips. An itemized deposit slip can be a printed receipt from the bank teller or ATM separating cash deposits from check and money order deposits. It can also be a copy of the handwritten deposit slip with the total cash amount written separately from check and money order deposits. If the printed receipt is not itemized, attach the copy of the handwritten deposit slip to the printed bank receipt.
- ◆ If you become eligible for public funds, you will receive payment via direct deposit. Ask your bank about direct deposit of funds or EFT (electronic funds transfer). You must confirm your bank participates in the [FedWire program](#) for electronic deposit of public funds.

Note: If you are unable to open a bank account without documentation that you have registered your committee with the CFB, register with the CFB first and then open your bank account.

How Do I Register With the CFB?

Before you begin raising and spending money, open a committee bank account and register your committee with the CFB.

Submit a Filer Registration or Certification

You must submit a [Filer Registration](#) (FR) or [Certification](#) to register your committee with the CFB. When you register, you provide basic information about your campaign, such as the names and addresses of the candidate, treasurer, and committee, along with your office sought and information about your bank account. If applicable, you can also list the names and addresses of your campaign manager, liaison, and consultant.

If you wish to join the Matching Funds Program, submit a Certification. If you do not wish to join the Program or are not yet sure, submit a Filer Registration.

Find the fill-in Filer Registration [here](#) and the fill-in Certification [here](#).

When registering, remember:

- ◆ Make sure it is complete and legible! The CFB will not accept incomplete or illegible forms. The best way is to use the fill-in form on the CFB's website, and print it.

You can open an interest bearing account such as a savings account or money market account in addition to a checking account, but deposit contributions into and make expenditures from the checking account only.

Authorize only the treasurer and/or a designee to open and close bank accounts. Also, limit the number of people who can sign checks, use the committee's debit card, or make withdrawals. Do not use signature stamps.



CONTACT US

Contact Candidate Services
at (212) 409-1800 or
candidateservices@nycffb.info if
you need assistance getting started.



COMPLIANCE ALERT

To join the Program, you must submit a Certification fifteen business days before any public funds payment date or at the latest April 26, 2021 (the ninth Monday before the primary election) for the 2021 elections. For special elections, you have until the fourteenth day following the mayoral proclamation of a special election to certify.

- ❖ The FR and Certification must have the original, notarized signatures of both the candidate and the treasurer.
- ❖ Provide the names and contact information of any individual working on your campaign who may contact the CFB with questions. For your protection, CFB staff will only respond to inquiries about your campaign from persons listed on your registration.
- ❖ In order to register with the CFB, you must disclose your committee's bank account information, including account number. If your bank is unable to open an account without official documentation from the CFB that you have registered or intend to register your committee, you may submit a completed Certification or Filer Registration without the bank account information. The CFB will process your registration, confirm your registration via email, and add you to the registered Candidate List. You must then open a bank account and provide your bank account information to the CFB within 15 business days or before the end of the current disclosure period, whichever is sooner. You will not receive log-in credentials for C-SMART until you complete this step.

Look for Your CFB Welcome Letter

A candidate services liaison will send your campaign a Welcome email confirming your committee's registration with the CFB. This email contains:

- ❖ The name and contact information of your Candidate Services liaison.
- ❖ Information relating to the timing of [disclosure statement deadlines](#) and [contribution and spending limits](#), as well as public funds information.
- ❖ Resources for creating your committee's [NYC Votes Contribute](#) account.
- ❖ Your [C-Access](#) username(s) and password(s), and C-SMART encryption key.



C-SMART

C-SMART is the web application you use to record your campaign's financial activity and submit disclosure statements to the CFB. C-SMART generates an ID number for every transaction you enter. You must write this transaction ID on any documentation related to the transaction.

I'm Registered With the CFB—What's Next?

Attend Mandatory Trainings

The Act requires the candidate, treasurer, campaign manager, or an individual with significant managerial control over your campaign to attend both Compliance and C-SMART trainings. CFB trainings are not limited to these individuals—you can send additional campaign staff to trainings, especially if they are helping you with recordkeeping and reporting. Whether or not you participate in the matching funds program, all campaigns are required to attend a pre-election training. The deadline to complete the required trainings is the 32-day pre-election primary disclosure statement.

Compliance trainings cover the CFB's rules and requirements. C-SMART trainings teach you to navigate the basic aspects of entering transactions and submitting disclosure statements. Review the [training calendar](#) and follow the instructions to sign up directly.

Get Organized!

Start organizing your documentation as soon as you open your committee by creating and maintaining a comprehensive filing system for your documents. This will help you maintain and submit your required documentation to the CFB. There is a [packet of labels](#) on the CFB website to help you get started. Detailed information on what documentation you need to keep and submit to the CFB is provided throughout this handbook. In general, keep the original and a digital copy.

Set Up Internal Controls

Setting up standard financial controls and procedures will help you protect and manage your campaign's activities. There are three key aspects to establishing and maintaining internal controls:

- ❖ Make sure no single person has complete control over your campaign's financial activities. You should build in steps for independent quality review or spot-check financial transactions. For example, the person who enters contribution transactions into C-SMART should not also be responsible for depositing those contributions into the campaign's bank account. Another simple control is to have someone double-check all bill payments before the checks are mailed to vendors. Think of these as the checks and balances in your operation.
- ❖ Make sure your staff is well trained. Provide proper training and guidance to everyone working on your campaign. This can be done by creating simple and clearly written procedures and job descriptions, sending staff members to CFB trainings, and encouraging staff to regularly review CFB materials. If practical, assemble these job descriptions and procedures into binders, or post them on office bulletin boards for campaign staff to review.
- ❖ Limit the number of people who have access to your committee's checking account, log-in information for C-SMART and [C-Access](#), and documentation.

Ideally, a campaign should use the fewest number of people needed to both accomplish the work and maintain a separation of duties. These can be paid staff members or responsible volunteers. See [Chapter 10](#) for more information about internal controls your campaign should establish.

Familiarize Yourself With C-Access

[C-Access](#) is a personalized CFB website that gives you secure access to your campaign's financial and committee information. It is also an online portal where your campaign receives notices regarding compliance and public funds eligibility (see [Chapters 5](#) and [6](#)). Candidate Services will email the username and password to the candidate and/or treasurer. Additional accounts can be created for campaign managers, consultants, or liaisons, upon request by the candidate or treasurer.



COMPLIANCE ALERT

The candidate must retain all records and documents until:

- 1) the CFB issues the candidate's final audit report and the candidate has disposed of all assets and satisfied all outstanding liabilities resulting from the applicable election including payment of any penalties or repayment of public funds, and can closed out their committee, or,
- 2) five years after the candidate has satisfied all outstanding liabilities and appropriately disposed of all assets, whichever comes later.

How Do I Make Changes to My Registration With the CFB?

Updating Contact or Bank Account Information

To add or modify campaign contact information, submit a [Change of Contact Information](#) form. To provide or change your committee's bank account information, submit a [Change of Bank Account](#) form. Be sure to notify your Candidate Services liaison of any contact information changes.

Changing Treasurers

Most campaigns keep the same treasurer for the entire election cycle. However, if your campaign must change treasurers, you are required to notify the CFB.

Notifying the CFB:

- ❖ The candidate and new treasurer must submit a new FR or Certification. The change of treasurer will take effect only after the new FR or Certification is received and processed by the CFB.
- ❖ Call your Candidate Services liaison for more information on changing treasurers.

Terminating Your Candidacy

If you decide not to run, or you stop pursuing your candidacy after you registered with the CFB, you must submit a [Verification of Terminated Candidacy](#) to the CFB. Even after form is accepted, your campaign must submit ongoing disclosure until your campaign has satisfied all outstanding liabilities and appropriately disposed of all assets. If you received public funds and are not on the ballot, your campaign must continue to submit disclosure and will receive a post-election audit.

In some cases, the CFB will terminate your candidacy if:

- ❖ You did not file petitions with the City BOE, or
- ❖ You were disqualified from the ballot after filing petitions with the BOE and you have not submitted a petition for payment after final disqualification from the ballot (see [page 78](#)).

If you receive a notice of termination from the CFB but you intend to continue running and/or seek public funds, you must notify the CFB in writing within five business days of receiving the notice (see [page 78](#)). Contact your Candidate Services liaison for guidance.

Key campaign staff, including your treasurer, should be committed to working on your campaign for the entire election cycle. Changing key personnel can negatively impact compliance. If you must change treasurers, do so when you are filing a disclosure statement, not in the middle of a reporting period.



COMPLIANCE ALERT

The former treasurer will still be liable for any penalties assessed by the CFB for violations of the Act or Board Rules that occurred while he or she was the treasurer of record.

Raising Money

This chapter covers what you need to know about raising money for your campaign, including who can contribute and how much, what types of contributions are allowed, and what documentation you must keep.

The Basics

- Have contributors completely fill out and sign a contribution card. These cards are available in [English](#), [Bengali](#), [Chinese](#), [Korean](#), and [Spanish](#).
- Keep digital copies of every check, every money order and every contribution card.
- Enter your contributions in C-SMART as you receive them.
- Screen your contributions for prohibited sources and to make sure they do not exceed the contributions limits. (C-SMART can help because it alerts you when you enter prohibited or over-the-limit contributions.)
- You must maintain itemized deposit slips listing cash contribution deposits separately from check and money order contribution deposits. Keep digital copies of each itemized deposit slip or ATM receipt.
- See more detailed information on [Names](#), [Monetary Contributions](#), [In-Kind Contributions](#), [Fundraising Events](#), [NYC Votes Contribute Upload](#), and [Loans](#) in [C-SMART Help](#).

What is a Contribution?

A **contribution** is any gift, subscription, advance, or deposit of money or anything of value made in support of the candidate. There are two ways someone can contribute to your campaign: monetary and in-kind.

Who Can I Take Contributions From?

Individuals

You may accept contributions from any individual if he or she is a U.S. citizen or permanent resident. Only contributions from individual New York City residents are eligible to be matched with public funds.

Political Committees

You may accept contributions from political action committees (PACs), political party committees, political clubs, and candidate committees—collectively known as **political committees**—if they are registered with the CFB before making



REMINDER

Check the CFB's website for an up-to-date list of [registered political committees](#) before accepting a contribution from one. You can also download a copy of the [Political Committee Registration](#) form from the website. Political committees must register with the CFB for every election cycle.

the contribution or if they register within 10 days of receiving the contribution. If the political committee does not register within 10 days, you must return the original contribution or refund the contribution using a certified or bank check. It is the responsibility of your campaign to verify whether the political committee is registered with the CFB before accepting the contribution.



COMPLIANCE ALERT

You report a contribution from a local or national political party as a transfer rather than a contribution. See the [Transfers Guidance Document](#) if you receive this type of contribution.

Unions

You may accept contributions from **unions**. Unions are not required to register with the CFB. However, if the contribution is from the union's PAC, the PAC must register with the CFB as described.

Sole Proprietorships

A **sole proprietorship** is a business that is wholly owned by a single person and where there is no legal distinction between the owner and the business. You may accept contributions from sole proprietorships, but contributions from all other types of business are prohibited.

Contributions from Minors

You may only accept contributions from people under the age of 18 (minors) under certain circumstances. Before accepting a contribution from a minor, you must determine that:

- ❖ The decision to contribute was made knowingly and voluntarily by the minor.
- ❖ The contribution is from money owned and controlled exclusively by the minor. For example, income earned by the minor would satisfy this requirement.
- ❖ The contribution was not made from gifts given to the minor so that the minor would be able to contribute. This is known as a nominee contribution and is illegal.

Contributions from minors will not be matched with public funds.

Campaign Vendors/Workers

You may accept contributions from individuals who are vendors or workers for your campaign. If an individual is a full-time, salaried employee of a campaign, the contribution from that individual may be eligible to be matched with public funds. Contributions from consultants, temporary employees, and individuals who are officers of or have more than 10% ownership interest in a company that is a vendor to your campaign cannot be matched (see [page 74](#)).

Who Can't I Take Contributions From?

Your campaign may not accept contributions from any of the sources discussed in this section. If you receive a contribution from any of these prohibited sources, you must refund it to the contributor using a certified or bank check. Refer to [page 67](#) for more information on how to issue a refund.

Corporation, LLC, LLP, and Partnership Contributors

Contributions from corporations, limited liability companies (LLCs), limited liability partnerships (LLPs), and partnerships are prohibited. If you receive a contribution from any of these entities, immediately return it to the contributor.

You can generally recognize corporate entities in New York State by these suffixes:

- ◆ Corp. (Corporation)
- ◆ Inc. (Incorporated)
- ◆ Ltd. (Limited)
- ◆ PC (Professional Corporation)

Before accepting and/or depositing an entity's contribution, check the New York State Department of State's [Corporation and Business Entity Database](#). If the entity you received the contribution from is listed in the database, it is a prohibited source. Not all prohibited sources are listed in the database. For example, prohibited sources may be registered under different names ("doing business as" or "dba") or may be incorporated or registered in other states. Contact your Candidate Services liaison if you are not sure whether you can accept a contribution.

Nominee Contributors

If a contributor gives money to your campaign under his or her name but the money in reality came from or is reimbursed by another person or entity, it is called a **nominee contribution**. Nominee contributors are also referred to as straw donors, and are illegal.

Anonymous Contributors

Anonymous contributions are illegal. If you receive an anonymous contribution, State law requires you to pay that amount to the state comptroller for deposit in the general state treasury.



COMPLIANCE ALERT

If you are not able to refund a prohibited contribution, send the amount of the contribution to the Public Fund by certified check payable to the "New York City Election Campaign Finance Fund."



REMINDER

If your campaign accepts a prohibited contribution and either returns or refunds it before notification by the CFB, a penalty will not be assessed.

What Are the Contribution Limits?

There is a limit on the total amount you may accept from a single contributor in an election cycle. Your contribution limit will vary depending on the office you are seeking and whether you join the Program.

OFFICE	NEW PROGRAM (OPTION A) PARTICIPANT*	OLD PROGRAM (OPTION B) PARTICIPANT AND NON-PARTICIPANT
Mayor Public Advocate Comptroller	\$2,000	\$5,100
Borough President	\$1,500	\$3,950
City Council	\$1,000	\$2,850
* All contributions received beginning January 12, 2018 for the 2021 Election Cycle are subject to the new program (Option A) contribution limits.		

In some cases, a lower contribution limit applies. The **doing business** contribution limits apply to the officers, owners, and senior managers of entities that do business with the City of New York, as well as people who lobby the city. These individuals are listed in a database maintained by the New York City Mayor's Office of Contract Services, known as the Doing Business Database or DBDB.

OFFICE	DOING BUSINESS CONTRIBUTION LIMIT (PARTICIPANTS AND NON-PARTICIPANTS)
Mayor, Public Advocate, and Comptroller	\$ 400
Borough President	\$ 320
City Council	\$ 250

The DBDB is available at <https://www1.nyc.gov/dbnyc/> or through www.nyccfb.info. Always check each contributor against the Database to ensure you do not accept an over-the-limit doing business contribution. Doing business contribution limits apply to contributors if they are listed in the Database at the time of their contribution. A contributor who previously reached or exceeded the limit while not in the Database may not make any further contributions, but the prior contributions do not need to be refunded if they do not exceed the regular contribution limit.

The contribution limit for a [special election](#) is half the contribution limit for the standard four-year election cycle (this includes the doing business limit).



COMPLIANCE ALERT

In addition to the Act's contribution limits, New York State election law also has contribution limits. In most cases, the Act's limits are lower than the state limits and take precedence.



REMINDER

Contributions from or intermediated by individuals doing business with the city will not be matched with public funds. For additional information, see the [Doing Business FAQ](#).

Example

(Based on current program contribution limits. See [page 10](#) for old program limits.)

Sarah Wong is the CEO of a corporation with a bridge repair contract with the city for over \$100,000. Fred Schmidt is the treasurer of the corporation. Veronica Hamilton is the COO. Joel Gregory is a bridge repairer for the company. Because of their positions with the company, Sarah, Fred, and Veronica are listed in the DBDB and their contributions are subject to the doing business contribution limit. Joel, on the other hand, does not appear in the DBDB and the doing business contribution limits do not apply to him. Each of them gave a contribution to Sophia for Council, a City Council candidate committee.

Sarah contributed \$250. Her contribution is at the limit, and because she is listed in the DBDB her contribution is not matchable and the committee cannot accept additional contributions from her.

Fred contributed \$500. His contribution is over the limit for someone in the DBDB, so Sophia for Council must refund \$250 to Fred using a certified or bank check. The remaining \$250 of Fred's contribution is not matchable.

Veronica had made a \$500 contribution during this election cycle but before the company started doing business with the city. Now that she is in the DBDB she cannot give any more, since she has already reached the doing business limit, but the earlier contribution does not need to be refunded because she made it before she was in the DBDB. Her earlier contribution is eligible for public funds if she is a New York City resident.

Joel contributed \$350. His contribution is eligible for public funds if he is a New York City resident.

Candidate Contributions

Program participants may give up to three times the contribution limit to their own campaigns.

OFFICE	CURRENT PROGRAM (OPTION A) CANDIDATE LIMIT	OLD PROGRAM (OPTION B) CANDIDATE LIMIT
Mayor Public Advocate Comptroller	\$6,000	\$15,300
Borough President	\$4,500	\$11,850
City Council	\$3,000	\$8,550

Non-participants may give an unlimited amount to their own campaigns. However, this exception only applies to the candidate using his or her personal funds (the candidate's family members, including the candidate's spouse, are not allowed to exceed the contribution limit). All funds must first be deposited into the committee's bank account and only the committee can spend on behalf of the candidate's campaign.

An **over-the-limit contribution** is a contribution(s) from a single contributor that exceeds the contribution limit for the office that you are seeking. If deposited, the over-the-limit amount must be refunded to the contributor using ACH transfer, or a certified or bank check. If a campaign uses a committee check, the date the funds clear the committee account will be considered the refund date. Refer to [page 67](#) for more information on how to issue a refund.



COMPLIANCE ALERT

If you are not able to return an over-the-limit contribution to the contributor, send the amount of the overage to the public fund by check payable to the “New York City Election Campaign Finance Fund.”

All contribution limits are:

- ❖ **Per election cycle:** Unlike state and federal elections, the CFB’s contribution limits are for the entire election cycle. For example, City Council participants in the current Program may not accept \$1,000 for the primary election and another \$1,000 from the same contributor for the general election.
- ❖ **Aggregated:** Multiple contributions from the same contributor to the same candidate are added together. The sum of all contributions may not exceed the contribution limit for the election cycle.

Example—Aggregated

(Based on current program contribution limits. See [page 10](#) for old program limits.)

City Council candidate Sophia Rosario receives a contribution of \$500 from Mary Smith. Since the contribution limits are per election cycle, Mary may contribute only \$500 more to Sophia’s campaign, Sophia for Council, for the rest of the election cycle.

Affiliated Contributions

If an individual contributor and an entity he or she owns or has significant decision-making control over give contributions to the same candidate, the contributions from the individual and the entity are added together. Again, the sum of all contributions may not exceed the contribution limit for the election cycle.

In determining whether two contributions are affiliated, the following questions are relevant:

- ❖ Does the individual make decisions or establish policy for the entity?
- ❖ Does the individual have authority over the personnel who make decisions or establish policy for the entity?
- ❖ Do the contributions of the individual and the entity reflect a similar contribution pattern?
- ❖ Does the entity claim to be acting on the individual’s behalf?

Affiliated contributions can be complicated. Contact your Candidate Services liaison for guidance.

Example—Affiliated

(Based on current program contribution limits. See [page 10](#) for old program limits.)

Sophia for Council receives a \$750 contribution from Jane Ryan, the owner of Janey’s Deli—a sole proprietorship located near the campaign’s headquarters. Two weeks later, the deli gives \$250 worth of food to the campaign. Because Jane owns Janey’s Deli, these contributions are considered to be from a single source—Jane. The \$750 monetary contribution and the \$250 donation of food (also known as an in-kind contribution as explained later in the chapter) are added together and attributed to Jane. As a result, neither Jane nor Janey’s Deli may contribute more money, goods, or services to the campaign because Jane has reached the \$1,000 contribution limit for participating—Option A City Council candidates.

A few days later, Mac, the butcher at Janey’s Deli, makes a \$50 contribution to the campaign. His contribution is not aggregated with the contributions from Jane and Janey’s Deli because Mac does not decide who receives contributions from Jane or Janey’s Deli.

EXCEPTION: Different labor organizations will not be considered a single source contributor if you can show that:

- The labor organizations do not share a majority of members or officers of their governing boards.
- The labor organizations maintain separate bank accounts with different signatories.
- The labor organizations contribute from separate bank accounts.

Transfers From Your Other Elections

Transfers are movements of money from another committee you authorized to your current committee. If you expect to make this type of transfer, see the [Transfers Guidance Document](#), because this affects your contribution limit and can lead to compliance issues. Contributions transferred from another committee are not matchable with public funds.

Earmarked Contributions

An earmarked contribution is a contribution originally given to a political committee with instructions to designate, or “earmark”, that contribution for your campaign. Earmarked contributions are considered to be from both the original contributor and from the political committee, and are subject to the contribution limits, prohibitions, and requirements. This means that an earmarked contribution will be aggregated with any other contributions the original contributor has given your campaign, and the total amount must not exceed the contribution limit for your office.

If your campaign receives an earmarked contribution, it must:

- ❖ Enter the contribution in C-SMART as a contribution from the political committee.
- ❖ Disclose the name of the original contributor in a cover letter accompanying that disclosure statement.

How Can I Collect Contributions?

There are two ways someone can contribute to your campaign: **monetary contributions** and **in-kind contributions**. Monetary contributions are made by check, cash, money order, or credit/debit card.

As you are collecting monetary contributions, remember:

- ❖ The best way to collect and document contributions is by check or through NYC Votes Contribute, the credit card contributions platform created by the CFB.
- ❖ Only contributions from individual New York City residents are eligible to be matched with public funds.
- ❖ Employment information is required if a single contribution or the aggregate of multiple contributions from the same person is greater than \$99.

Keep funds that are awaiting deposit in a locked cabinet at all times and deposit daily, if possible.

Open the mail daily to ensure contributions are deposited in a timely manner. If your campaign uses a P.O. box, be sure to collect the mail frequently.

Cash contributions must be deposited into your committee's bank account within 10 business days of receipt. All other contributions must be deposited into your committee's bank account within 20 days of receipt, but it is recommended that you deposit all contributions within 10 days.

Your campaign must obtain and keep itemized **deposit slips** for all deposits. If you receive cash contributions, your **itemized** deposit slips must separate amounts deposited in cash from amounts deposited by check and money order. Itemized deposit slips can be a printed receipt from the bank teller or ATM separating cash deposits from check and money order deposits. It can also be a copy of the handwritten deposit slip with cash deposits on different deposit slips than check/money order deposits. If the printed receipt is not itemized, attach the copy of the handwritten deposit slip to the printed bank receipt. For mobile deposits, the itemized deposit slip can be electronic if the deposit slip or other bank documentation states that it was a mobile deposit of checks only.

By Check

Make sure each check:

- ❖ Is payable to your committee (e.g., "Sophia for Council"), not to another committee name and not to the candidate.
- ❖ Has the date and amount of the contribution written clearly.
- ❖ Has the contributor's name and address pre-printed (no starter checks unless they are accompanied by a fully completed contribution card).
- ❖ Is signed by the contributor.



C-SMART

If a contributor's check bounces (is returned by your bank due to insufficient funds) after you have entered it in C-SMART, enter a refund and select "returned check" as the refund type.



COMPLIANCE ALERT

When you receive a check contribution from a joint account, report the contributor as the person who signed the check.

Make a photocopy of the check before depositing it into your committee's bank account. If you are depositing more than one check at the same time, be sure to list each check number and the amount of each check on the deposit slip.

By Credit/Debit Card

NYC Votes Contribute is the fundraising platform created by the CFB to help all campaigns collect credit and debit card contributions online. Contribute simplifies the process of collecting contributions online while meeting the CFB's reporting and recordkeeping requirements. As a CFB-registered candidate, you will have access to NYC Votes Contribute and your campaign can benefit from using the platform.



- ❖ Your campaign will receive its own unique fundraising link that can be shared via e-mail and social media.
- ❖ You can embed the platform on your own campaign's website.
- ❖ You can set up customized contribution amounts to meet your campaign's fundraising needs.
- ❖ It can help you qualify for public funds by streamlining your campaign's compliance with CFB reporting and recordkeeping requirements. Contribution data and documentation can easily be uploaded to C-SMART from your Contribute account homepage.
- ❖ Contributors can sign up for accounts to save their credit card information for future contributions and receive voter information from [NYC Votes](#).
- ❖ Information about contributors and contributions can be easily downloaded through your account homepage and in C-SMART after uploading contributions.

You are strongly encouraged to use NYC Votes Contribute. For more information, refer to the [NYC Votes Contribute User Guide](#) and visit the [FAQ for Candidates](#) section on www.nycvotes.org.

If you wish to use a credit card processor other than NYC Votes Contribute, review the [Credit Card Contributions](#) guidance document and contact your Candidate Services liaison.

By Cash or Money Order

You may accept cash contributions, but only up to \$100 from any single contributor during the election cycle. You must return any amount over \$100 to the contributor.

You may also accept money order contributions up to the contribution limit. However, only the first \$100 of a money order contribution from an individual New York City resident can be matched with public funds.



COMPLIANCE ALERT

You must deposit cash contributions into the committee's bank account; do not use them as a source of petty cash.

Example

Dan Jones contributed \$100 in cash to Sophia for Council. Six months later, he wants to make another contribution of \$75. Sophia for Council may not accept any more cash from Dan, so this new contribution must be in the form of a check, money order, or credit card.

By Donating Goods or Services (In-Kind Contributions)

When a person, organization, or entity donates goods or services to your campaign free of charge or provides them at a discount not available to the general public, it is called an **in-kind contribution**. The dollar amount of an in-kind contribution is either the actual price paid (documented with a receipt) or its **fair market value**, which is the price anyone would normally pay for the good or service rendered. The fair market value can be determined by searching the Internet for comparable goods or by asking vendors of a similar product what they would normally charge for the product, service, or space.

The value of an in-kind contribution may not exceed the contribution limit. The dollar value of in-kind and monetary contributions by the same contributor are aggregated. Just as with monetary contributions, you may not accept in-kind contributions from any prohibited entity including corporations, LLCs, LLPs, and partnerships. In addition, in-kind contributions also count as campaign expenditures because you would have had to purchase the good or service if it was not donated. In-kind contributions are not matched with public funds.

Example—Determining Fair Market Value

Maria Rosario, Sophia's mother, donates her old computer to her daughter's campaign. The fair market value of this model is \$300, based on several used computer dealers online. Therefore, the computer is a \$300 in-kind contribution from Maria Rosario to Sophia for Council, and it will be aggregated with any other monetary or in-kind contributions Maria makes to the campaign.

Example—Receiving a Discount

Sophia for Council orders banners and flyers from Kew Gardens Printing, a sole proprietorship. The owner, Roger Smith, is a supporter of Sophia's campaign, so he decides to give the campaign a 50% discount, charging only \$200 for a \$400 order. The \$200 discount is an in-kind contribution to Sophia for Council and will be aggregated with any other contributions from Roger or his business.

An **outstanding liability**—an unpaid bill or debt—is also considered an in-kind contribution if it is not paid within 90 days, unless you can demonstrate that the vendor has made a commercially reasonable attempt to collect payment. You can document the vendor’s attempt to collect with follow-up letters from the vendor regarding the invoice, collection notices, etc.

EXCEPTION: The services of campaign volunteers are not in-kind contributions as long as they are truly volunteering their own time and services. However, if someone is paying the “volunteer,” or if the “volunteer” is delegating the work to someone whom he or she pays, then the services performed are an in-kind contribution to your campaign.

Example

Gabe Simpson, a certified public accountant who works full-time for TAXES, Inc., volunteers to help keep the books and records for Sophia for Council. He does the work in the evening and on weekends using his personal computer. He is a volunteer and his services are not an in-kind contribution.

However, if Gabe uses TAXES, Inc.’s copy machine to copy documentation, or instructs his assistant Mary to work on campaign-related bookkeeping, then the cost of the copies and/or the portion of Mary’s salary for the time she spent on campaign work are both in-kind contributions to Sophia for Council. More importantly, TAXES, Inc. is a corporation, so both of these would be prohibited in-kind contributions. Therefore, Gabe must keep the books himself on his own time or Sophia for Council must pay for Gabe’s company’s services.

What Information Must My Campaign Collect for Contributions?

You must maintain records demonstrating the source and details of all contributions. You must disclose every contributor and contribution to the CFB. You must collect the following information for every contribution and enter it in C-SMART:

- ◆ The contributor’s name and home address.
- ◆ The contributor’s employment information—occupation, employer name, and employer address—if a single contribution or the total of multiple contributions is greater than \$99.
- ◆ The type of contribution (i.e., check, cash, money order, credit/debit card, or in-kind).
- ◆ The amount of contribution.

For monetary contributions, have the contributor fill out and sign a contribution card. You should use the CFB’s [template contribution card](#).



COMPLIANCE ALERT

If your contributor is retired, a homemaker, a student, or unemployed, he or she must write that in the “occupation” section of the contribution card.

Contribution cards:

- ❖ Are required for all cash contributions.
- ❖ Are required for money order contributions when the money order does not contain the contributor's name and residential address printed by the issuing institution.
- ❖ Are required for credit/debit card contributions depending on the processing method (see the [Credit Card Contributions guidance document](#)).
- ❖ Must be completed, signed, and dated by the contributor at the time the contribution is made.
- ❖ Must contain the following statement above the space for the contributor's signature and the date of the contribution:

I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that I was not, nor, to my knowledge, was anyone else, reimbursed in any manner for this contribution; that this contribution is not being made as a loan; and that this contribution is being made from my personal funds or my personal account, which has no corporate or business affiliation.

- ❖ Must include the committee name; collect the type and amount of the contribution; collect the contributor's name, residential address, and employment information; and state the doing business contribution limits.
- ❖ Cannot be altered in any manner once the contributor completes the contribution card and gives it to you with the contribution.

Contributions with incorrect, incomplete, or altered contribution cards will not be matched with public funds.

To collect information for in-kind contributions, use the [In-Kind Contribution Form](#). You may get a letter or other form of documentation from the contributor in lieu of using this form, but it must contain the same details as the CFB template.

In addition to the in-kind contribution form, you must also attach a receipt or documentation substantiating the value of the in-kind contribution.



REMINDER

As a best practice, contribution cards should be collected for all contributions in order to confirm the contributor's intent and obtain the information you are required to report to the CFB.



CONTACT US

If you are not using the contribution card templates the CFB provides, have your Candidate Services liaison review your contribution card before you distribute them to contributors.

How Can I Raise Money for My Campaign?

In addition to reaching out to their family and friends, candidates often raise money in the following ways.

Fundraisers

Most campaigns raise money by holding fundraisers. Like any expenditure, fundraisers can be paid for by your campaign or through an in-kind contribution, or a combination of both.

Make sure all written fundraising solicitations (including invitations to fundraisers and internet/email solicitations) include the following statement:

State law prohibits making a contribution in someone else's name, reimbursing someone for a contribution made in your name, being reimbursed for a contribution made in your name, or claiming to have made a contribution when a loan is made.

All campaign literature, advertisements, or other communications must include the words “paid for by” followed by the name of your authorized committee (see [page 36](#)).

For a fundraiser, you must keep the following information, in addition to the documentation you must obtain for each contribution, as described earlier in this chapter:

- ◆ Date of the event.
- ◆ Location of the event.
- ◆ Any persons or organization(s) other than the campaign, hosting the event.
- ◆ Itemized list of all expenditures related to the event, whether the campaign or some other host paid for them.
- ◆ List of all contributions received at the event.

Keep track of this information in C-SMART by using the [Fundraising Events](#) feature.

If a fundraiser is both paid for and organized/run by someone other than your campaign, then it is not only an in-kind contribution; the organizer must also be disclosed as an intermediary, as described in the next section. If it was organized/run by more than one person, designate one person as the intermediary.



COMPLIANCE ALERT

Don't allow a prohibited source such as an incorporated restaurant to host your fundraiser as an in-kind contribution.

Intermediaries

An **intermediary** is an individual or entity (for example, a political action committee or union) who:

- ❖ you know is soliciting contributions for your campaign and/or
- ❖ delivers (or directs someone else to deliver) contributions to your campaign or your fundraising agent.



REMINDER

If the campaign knows that one individual or entity solicited the contributions and another delivered them, the solicitor should be reported and documented as the intermediary.

EXCEPTION: The following are not intermediaries:

- the candidate
- the spouse, domestic partner, parents, children, or siblings of a contributor
- fundraising agents retained by your campaign
- full-time campaign staff (paid or volunteer)
- postal workers and delivery messengers
- the members of a “host committee” for a campaign-sponsored event (for contributions raised at that fundraiser)

You must obtain a completed [intermediary statement](#) from each intermediary. You must also obtain contribution documentation as described earlier in this chapter for each intermediated contribution. Intermediaries must not deposit contributions into their own personal account.

If the intermediary is doing business with the city, none of the contributions solicited/delivered by this individual will be matched with public funds. Be sure to look up intermediaries in the doing business database.

Example

Mark, a known supporter of Sophia Rosario’s campaign, asks his co-workers to contribute to her campaign. The campaign knows Mark has solicited contributions on its behalf. The campaign must report Mark as the intermediary for any contributions received by the campaign because of his solicitation, obtain an intermediary statement from Mark, and obtain the required contribution documentation for each intermediated contribution.

House Parties

House parties are small, low-cost events that take place in a supporter's own home. For a fundraiser to be considered a house party, the host of the event must plan, fund, and invite the attendees, which may or may not include the candidate or campaign staff.

The cost of a house party and the contribution amounts received determine whether you must disclose the host as an intermediary and the cost of the house party as an in-kind contribution:

Scenario 1: The cost of the house party is \$500 or less and each contribution made at this house party is also \$500 or less. In this case, you do not need to report the host of the house party as an intermediary and the cost of the party is not an in-kind contribution from the host.

Scenario 2: The cost of the party is \$500 or less but there are one or more contributions over \$500. You must report the host as the intermediary for each contribution over \$500, and obtain a completed and signed intermediary statement from the host, but the cost of the party is not an in-kind contribution.

Scenario 3: The cost of the house party is over \$500. You must report the host as an intermediary for all contributions regardless of the amounts, and the entire cost of the house party is an in-kind contribution to the campaign. You must obtain both a completed and signed intermediary statement and an in-kind contribution form from the host.

The cost of house parties are aggregated by host, meaning that if the same person throws multiple house parties for your campaign, the combined cost of these house parties is used to determine the reporting requirements.

In order for your campaign to determine the cost of each house party, it is important that you ask the hosts to keep all documentation associated with the house party (e.g., receipts for the purchase of food and drinks). The host must provide:

- ❖ Checks, money orders, and contribution cards for each contribution.
- ❖ Receipts or letters listing the expenditures made in connection with the house party/parties.



COMPLIANCE ALERT

A house party has one host who both organizes and pays for the party. If there is more than one person hosting the party, it is not a house party, and must be disclosed as a regular fundraiser, even if it took place at someone's house.



REMINDER

Fundraisers your campaign plans and funds — even if they are held in a house — are not house parties.

Example

Joan held a house party for Sophia for Council and spent \$400 on food and invitations. She collected ten contributions of \$25 each at this party. She held another house party three weeks later, spent \$300 on food, and collected another ten \$25 contributions.

Because the combined cost of the parties was \$700, the campaign must disclose a \$700 in-kind contribution from Joan, and report Joan as an intermediary for each contribution she collected at both parties. The campaign must also obtain a completed and signed intermediary statement and in-kind contribution card from Joan.

Loans

During the election cycle, you may choose to take out a **loan** to cover expenses. You may accept loans only from:

- ✦ individuals
- ✦ banks or lending institutions that issue loans as part of their routine business

You may not accept loans from or have loans guaranteed or secured by:

- ✦ corporations, LLCs, LLPs, and partnerships (with the exception of institutions that issue loans as part of their routine business, such as banks)
- ✦ political committees (registered with the CFB or not)

There is no limit to the amount of money a campaign may borrow, but loans must be repaid in full to the lender before your first election (either the primary or general election). **On the day of the election, the unpaid portion of any loan will be considered a contribution by the lender or guarantor and is subject to the contribution limits.**

Example

(Based on current program contribution limits. See [page 10](#) for old program limits.)

Sophia Rosario's campaign borrows \$2,000 from her friend Shirley Baker. Shirley already contributed \$250 to the campaign. The campaign is able to repay \$1,000 of the loan before the election. However, when the day of the primary election arrives the campaign had not yet paid the remaining \$1,000 to Shirley. Thus, the \$1,000 is considered a contribution from Shirley to the campaign. Aggregated with the \$250 Shirley contributed to the campaign earlier in the election cycle, Sophia for Council has now accepted \$1,250 from Shirley Baker and is in violation of the contribution limit, even if the campaign repays the loan after the election.

At the time a loan is made, the lender and the campaign must complete a [loan agreement](#). You must also keep:

- ◆ A copy of the loan check from the lender (loans cannot be made in cash).
- ◆ The front and back of the committee's canceled loan repayment check(s).

If the lender agrees to let the campaign keep the money and not repay the loan, either in whole or in part, this is called a **forgiven loan**. A forgiven loan is considered a monetary contribution to your campaign and is subject to the contribution limits and prohibitions. If all or part of a loan is forgiven, you need to get a letter from the lender stating that the loan is forgiven. Make sure you do not violate the contribution limit or accept a prohibited contribution by accepting a forgiven loan.



COMPLIANCE ALERT

The rules and recordkeeping requirements for loans also apply to loans candidates make to their own campaigns.

Can I Have a Raffle to Raise Money?

No. State law prohibits campaigns from raising money through any type of gambling, including raffles.

What Records Do I Need to Keep for Contributions?

Keeping digital copies of all documentation is the simplest way to maintain records and is required for submitting documentation to the CFB when you file your disclosure statements. If you prefer to maintain paper records, keep the following:

- ❖ Two copies of the contributor's check.
- ❖ The original and two copies of the completed contribution card if one was obtained.

For cash contributions:

- ❖ The original and two copies of the completed contribution card.

For money order contributions:

- ❖ Two copies of the contributor's money order.
- ❖ The original and two copies of the completed contribution card.

For credit card contributions:

- ❖ If you are using [NYC Votes Contribute](#), credit card contribution documentation is automatically uploaded into C-SMART when you complete the upload process from your campaign's Contribute account. No additional documentation is required. Refer to the [NYC Votes Contribute User Guide](#) for assistance.
- ❖ If you are using a credit card platform other than NYC Votes Contribute, refer to the [Credit Card Contributions](#) guidance document for information on the required information and documentation.

Deposit records you must keep for monetary contributions:

- ❖ Two copies of the itemized deposit slips separating cash deposits from check/money order deposits.
- ❖ The original and two copies of the bank or ATM receipt.

You can copy a check or money order with its contribution card together on one page (please make sure they are facing in the same direction).

You can also copy multiple checks onto one sheet; just identify each with its C-SMART transaction ID.

FYI

REMINDER

Every transaction entered into C-SMART will have a **transaction ID** assigned to it. You must write the transaction ID on every document relating to a particular transaction.

For refunded contributions:

- ❖ Two copies of the certified, bank, or committee check used to issue the refund.
- ❖ Two copies of the document confirming the ACH transfer, which includes the name of the contributor, the original contribution date, and the date of the refund.
- ❖ The original and two copies of the bank statement confirming the refund posted to the campaign's bank account.
- ❖ Any bank records related to bounced checks.

For in-kind contributions:

- ❖ The original and two copies of the in-kind contribution form (or document containing the same information).
- ❖ The original and two copies of the documentation used to prove the fair market value of the in-kind contribution.

For intermediaries:

- ❖ The original and two copies of the intermediary statement.

For loans:

- ❖ Original and two copies of the loan agreement.
- ❖ Two copies of the loan check from the lender.
- ❖ Two copies of the front and back of the committee's canceled loan repayment check(s).



COMPLIANCE ALERT

For every check, cash, money order, and credit card contribution claimed for match, you must submit a copy of your contribution documentation to the CFB with each disclosure statement as **backup documentation**. Backup documentation supports the validity of each contribution claimed for match (see [page 58](#)).

Spending Campaign Funds

This chapter explains how much money you can spend during the election cycle, payment methods you can use, what you can spend campaign money on, and documentation you need to keep for each type of expenditure.

The Basics

- ◆ Pay for all expenditures using your committee checks or committee debit card. Avoid using cash.
- ◆ Make sure your bank provides copies of the front and back of canceled checks.
- ◆ Keep copies of the receipt, invoice, and payment documentation for each expenditure.
- ◆ Invoices must contain a detailed description of the goods or services provided, be addressed to your committee, and include the name of the vendor and date of the transaction.
- ◆ Enter each expenditure into C-SMART when you incur the debt and enter payments (full or partial) as you make them.
- ◆ Refer to the [Purpose Codes Guide](#) when entering expenditures in C-SMART.
- ◆ Be aware of the spending limit as you make expenditures.
- ◆ All campaign communications must include the words “paid for by” followed by the name of your authorized committee (see [page 36](#)).
- ◆ See more detailed information on [Names](#), [Bills](#), [Advances](#), [Petty Cash](#), [Subcontractors](#), and [Candidate Personal Political Contributions](#) in [C-SMART Help](#).

What Are Expenditures?

Goods and services received to further your campaign are **expenditures** whether you pay for them or not.

As you make each expenditure, enter the details in C-SMART. For each expenditure made, you will eventually need to submit the invoice, receipt, and/or contract from the vendor, along with copies of the front and back of the canceled check, the bank statement showing the debit clearing the bank account, or proof of electronic funds transfer (EFT) to document your payments. Documenting different types of expenditures is described later in this chapter.



REMINDER

A contribution of a good or service to your campaign (in-kind contribution) is also considered an expenditure (see [page 16](#)).

What Can I Spend Campaign Funds On?

You may only spend campaign money on expenditures to further your candidate's nomination or election. **Campaign-related expenditures** typically include TV and radio ads, staff salaries, campaign office expenses, rent, literature, postage, fundraising costs, petition expenses, and election day get-out-the-vote efforts. Under the Act, the following are presumed to be campaign-related:

- ❖ Computer hardware, software, and other office technology purchased more than two weeks before the election.
- ❖ Food and beverages for campaign workers and volunteers.
- ❖ Community events, including attendance at events hosted by civic and neighborhood associations.
- ❖ Demonstrating eligibility for public funds or defending against a claim that public funds must be repaid.
- ❖ Travel related to your campaign or the holding of public office.
- ❖ Expenditures to facilitate, support, or otherwise assist in the execution or performance of the duties of public office.
- ❖ Legal defense of non-criminal matters arising out of your campaign.
- ❖ A single post-election event for staff, volunteers, and/or supporters held within 30 days of the election.
- ❖ Payment of non-criminal penalties or fines arising out of your campaign.
- ❖ Ballot proposal advocacy if there are clear indicia that the expenditures relate to the candidate.
- ❖ Contributions to charitable organizations designated as 501(c)(3) organizations.
- ❖ Contributions to candidate, political, or constituted party committees.
- ❖ Childcare services for children under 13 years of age only after the CFB receives and approves a [Statement of Childcare Eligibility](#) (see also [Childcare Expenditures guidance document](#)).



COMPLIANCE ALERT

Not all campaign-related expenditures can be paid for with public funds. See [page 83](#) for a full list of expenditures that can be paid with public funds (“qualified expenditures”).

Expenditures made for personal use and not in furtherance of a political campaign for elective office are **non-campaign related expenditures**. Under the Act, the following are presumed to be non-campaign related:

- ❖ Computer hardware, software, and other office technology purchased less than two weeks before the election.
- ❖ Expenditures made to defray the normal living expenses of the candidate, immediate family of the candidate, or any other individual.
- ❖ Residential or household items, supplies, or expenditures.
- ❖ Clothing, haircuts, and other personal grooming.
- ❖ Funeral, cremation, or burial expenses, including any expenses related to a death within a candidate's or officeholder's family.
- ❖ Automobile purchases.

- ❖ Tuition payments.
- ❖ Dues, fees, or gratuities at a country club, health club, recreational facility, or other nonpolitical organization unless part of a specific fundraising event that takes place on the organization's premises.
- ❖ Admission to a sporting event, theater, concert, or other entertainment event not part of a specific campaign activity.
- ❖ Non-campaign related travel, food, drink, or entertainment.
- ❖ Gifts, except for brochures, buttons, signs, and other campaign materials and token gifts valued at not more than \$50 that are for the purpose of expressing gratitude, condolences, or congratulations.

Even if an expenditure is presumably campaign-related, the CFB will still look at the context in which the expenditure was made, such as:

- ❖ The timing and nature of the purchase.
- ❖ The necessity of the expenditure.
- ❖ Whether there is a high proportion of spending on a specific category of expenditure.
- ❖ Whether the campaign has already purchased similar or duplicative services or equipment.
- ❖ Whether a high amount or proportion of payments was made to individuals rather than to entities.
- ❖ Whether there is a pattern of making non-campaign-related or improper post-election expenditures.
- ❖ The reporting of the expenditure.
- ❖ Whether the expenditure was made to a family member or relative of the candidate, or to an individual or entity with whom the candidate has a business or other financial relationship.



COMPLIANCE ALERT

The documentation you maintain for each expenditure should contain sufficient detail about its purpose and timing to demonstrate that it is campaign-related.

How Do I Document Campaign Expenditures?

You need documentation showing what your campaign purchased, such as bills, invoices, receipts, and contracts. You also need documentation to show the method of payment, such as canceled checks, bank statements, and proof of electronic funds transfer. Documentation must be obtained at the time you make an expenditure. As each bill and bill payment is entered into C-SMART, write the transaction IDs on all corresponding documents. Be sure to make copies, and store the originals and copies in a safe and accessible location. You will be required to submit electronic copies of expenditure documentation to the CFB with each disclosure statement.

Detailed records are crucial for complying with the CFB's requirements. If you lose any documentation, go back to your vendor and request a duplicate copy. If you are unable to obtain a duplicate copy from the vendor and must create a new record, indicate on the new record that it is a re-created document. Any re-created document must be accompanied by a statement explaining the circumstances surrounding the creation of the new record. The statement must be signed and dated by the candidate, treasurer, or other campaign representative with first-hand knowledge of the expenditure, and the signature must be notarized.

Wages & Salaries

Wages, salaries, and fees for campaign workers and consultants must be reasonable and represent work performed on behalf of your campaign. The expected payment amount—whether an hourly or weekly rate, or a flat sum—must be determined and documented before an individual or vendor begins working for your campaign, and payment cannot be contingent on whether your campaign wins the election, receives public funds, or has remaining funds after the election.

Your campaign must have written documentation for all wages, salaries, and fees. The chart on [page 31](#) shows the type(s) of documentation and details to be included for different types of workers.

It is up to your campaign to determine whether an employee is full-time, part-time, one-time, or a **consultant**. Consultants provide professional services or expert advice to your campaign in a particular area, such as compliance, campaign strategy, or managing election day and other field worker operations. Keep samples of their work product demonstrating services performed (e.g., memos, print and email correspondence, etc.).

When hiring a consultant for your campaign, it is important to keep in mind that if your consultant also works for independent spenders, this could lead to determinations that the spenders' activity is not independent and therefore an in-kind contribution to your campaign, subject to the contribution and expenditure limits. This would occur if your consultant also works for both candidates and independent spenders who either spend on behalf of your candidacy or in opposition to any of your opponents. Below are considerations that should be discussed with a potential consultant and/or incorporated into a contract:

- ❖ Does the consultant intend to be the general consultant and/or agent of potential third party spenders in the upcoming election?
- ❖ How will the consultant avoid taking actions that would violate the Campaign Finance Act or CFB Rules? What are the consequences for the consultant if it does so?
- ❖ How will the consultant ensure that non-public information concerning one client will not be shared with other clients?
- ❖ How will the consultant ensure that the same staff and management do not work on the accounts of both candidate committees and independent spenders?
- ❖ What mechanisms exist to ensure all clients are aware of the existence of any other client that could lead to a finding of coordination and non-independence?

For more information, please see the [Political Consultants Who Work for Both Candidates and Independent Spenders](#) guidance document.



COMPLIANCE ALERT

Bonus payments and gifts to employees may be allowed if the details are written into an employee's contract at the time of hiring, related to pre-election services, and do not constitute more than 10% of the total amount paid. Further, you cannot pay a bonus contingent on the candidate winning the election, receiving public funds, or has funds remaining after the election.

Consult the IRS, NYS Department of Taxation, and other authorities for information on payroll deductions (federal, state, local, and social security) and filing tax returns and state unemployment benefits returns.

DOCUMENTATION FOR WAGES AND SALARIES

TYPE OF DOCUMENT	DETAILS TO BE INCLUDED	USE THIS FOR
<p>Time Sheets (Weekly or Daily)</p>	<ul style="list-style-type: none"> • Committee name • Name and address of employee • Rate of pay (daily, weekly or hourly) • Days and hours worked • Detailed description of work performed, including location • Total hours worked • Total amount earned (rate x hours) • Dated signature of employee • Dated signature of campaign representative • Amount paid and method of payment 	<ul style="list-style-type: none"> • Part-time employees • One-time employees, e.g., election day workers • Supplementing full-time employee contracts • Workers hired by consultants to do part-time or one-time work (to be collected by consultant)
<p>Contracts</p>	<ul style="list-style-type: none"> • Committee name • Name and address of employee or consultant • Start and end date • Detailed description of services to be performed • Amount and total fee • Frequency of payment (e.g., monthly, weekly) • Dated signature of employee or consultant • Dated signature of candidate or treasurer 	<ul style="list-style-type: none"> • Full-time employees • Consultants
<p>Invoices</p>	<ul style="list-style-type: none"> • Committee name • Name and address of employee or consultant • Period covered by invoice • Detailed description of services performed during period • Amounts due 	<ul style="list-style-type: none"> • Supplementing full-time employee contracts • Consultants
<p>Statement from payroll processor (employees paid through this service should also have documentation showing what services they perform, e.g., a contract)</p>	<ul style="list-style-type: none"> • Committee name • Name and address of payroll processor • Names of employees • Rates of pay • Hours worked • Amounts paid • Breakdown of salary and withholdings 	<ul style="list-style-type: none"> • Campaigns that have significant numbers of employees or who choose to use a payroll service

If a contract expires and you want to retain an employee or consultant, you can amend the original contract or write a new contract that includes the new period(s) covered and any other relevant changes or additions to the employee's tasks and duties. If an employee leaves the campaign before their contract expires, obtain a resignation letter from that employee.

EXCEPTION: Volunteers are individuals who work on behalf of your campaign without payment for their time or services. You are not required to keep any documentation about volunteers.

Note: you cannot pay or give bonuses to volunteers for work they have performed on a voluntary basis. If you decide to offer paid employment to someone who has been volunteering for your campaign, you must create an employee contract and document the future work this person will perform as described in the previous section. Once an individual has been paid, he or she may not work as a volunteer for professional services of a similar nature.



COMPLIANCE ALERT

Consultants who hire and pay field workers must provide your campaign with time sheets for each worker substantiating the amount paid and details of the work performed.



CONTACT US

Your Candidate Services liaison can help with a preliminary review of employee and/or vendor contracts.

Campaigns Using a Payroll Processor

In addition to maintaining contracts and/or time sheets for each employee, if your campaign uses a payroll processor you will need to do the following in order to disclose payroll-related transactions in C-SMART:

- ❖ **Workers' wages:** Enter separate bills and bill payments to each worker for the gross amount of wages pre-tax or other deductions. For example, if you pay a worker \$10/hour and they work 10 hours, you would enter the full \$100.00 earned as the bill and bill payment for the worker's wages.
- ❖ **Employee taxes and deductions:** Since you will enter the gross payments to workers as a bill and bill payment, no additional entry in C-SMART is necessary to show the taxes and individual employee deductions. You will keep a copy of each pay stub documenting the deductions as the reason for the variance between the gross wages entered in C-SMART and the amount of the paycheck issued to the worker.
- ❖ **Employer taxes and deductions:** Any payments you make as an employer beyond what is already deducted from the worker's paycheck (such as paying employer-related state/federal taxes, social security, etc.), should be reported as separate bills and bill payments to the entity to which these payments are made.
- ❖ **Professional services:** If you contract with a payroll services provider, you must have a detailed contract with the provider. Any direct fees paid to the provider for professional services should be entered in C-SMART as bills and bill payments to the provider.
- ❖ **New York Disability Insurance Withholding:** This amount (typically \$0.60 per week) should be entered as an other receipt because the money is deducted from the worker's paycheck but held in the campaign's bank account.

With each disclosure statement filing, you must submit all payroll records (pay stubs, payroll processor documentation, etc.) covering the disclosure period.

As a best practice in order to ensure proper reporting of payroll-related expenditures, you should send the contract with your provider and sample payroll documentation to your Candidate Services liaison for review.

Office Rent and Office Expenses

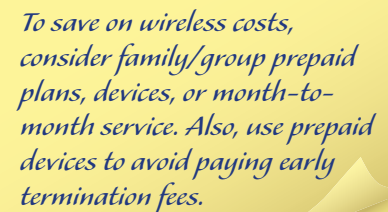
You may rent space for your campaign office. You must have a lease between your campaign and landlord specifying the terms of your tenancy (the chart found on the next page lists details that should be included in your lease agreement).

In addition to renting space for a campaign office, your campaign is allowed to spend money on office supplies and equipment, and website development and maintenance. Your lease and utility accounts must be in your committee's name—these cannot be established in the name of the candidate, treasurer, or other campaign worker.

If you purchase a wireless device and plan for you or your staff, the contract must be in your committee's name and be reasonably priced. You must cancel your committee's wireless service immediately after the election. Any early termination fee will be considered a permissible post-election expenditure provided the cancellation is done within the billing cycle immediately following the election. Any additional usage after an election may be considered an impermissible post-election expenditure (see [page 39](#)).

You may reimburse the candidate, campaign staff, and/or volunteers for the use of their personal wireless devices rather than purchasing new devices for them. However, you can only reimburse them if they incur campaign-related costs above the normal, regular cost of their existing plans. You cannot reimburse for an unlimited plan because no additional cost has been incurred. To reimburse personal phone usage, you need:

- ❖ Written log listing campaign calls made and to whom.
- ❖ Copies of itemized bills flagging campaign calls and demonstrating the amount over the standard cost of the individual's plan.
- ❖ [Advance Repayment Voucher](#).



To save on wireless costs, consider family/group prepaid plans, devices, or month-to-month service. Also, use prepaid devices to avoid paying early termination fees.

DOCUMENTATION FOR OFFICE RENT AND OFFICE EXPENSES

TYPE OF OFFICE EXPENSE	DOCUMENTATION	DETAILS TO BE INCLUDED
Rent for campaign office	Lease or rental agreement	<ul style="list-style-type: none"> • Landlord name and address • Committee name and address • Tenancy dates • Monthly rent amount and due date. • Specifics—size of space, utilities covered, furniture or office equipment included, etc. • Amount of security deposit and date for return • Dated signatures of landlord and candidate/treasurer
Office supplies and equipment	Invoices and/or receipts	<ul style="list-style-type: none"> • Vendor name • Date of purchase • List of items purchased • Price for each item • Total amount
Utilities, including wireless plans	Invoices (all pages)	<ul style="list-style-type: none"> • Utility name • Committee name and address • List of services • Period covered • Total amount billed
Website development and maintenance	Contract with web developer(s)	<ul style="list-style-type: none"> • Vendor name and address • Committee name • Detailed description of services to be rendered • Date on which website is expected to go live • Amount and frequency of payment (e.g., monthly, weekly, single payment) • Duration of the contract • Dated signatures of vendor and candidate/treasurer

Voter Communications (Campaign Literature, Mailings, Signs, Ads)

Your campaign will produce materials to communicate with potential voters. You must keep detailed records and samples of all campaign communications with the public, including literature, signage, advertisements, and other materials. All of these materials must include a “paid for by” notice (see [page 36](#)).

DOCUMENTATION FOR VOTER COMMUNICATION

COMMUNICATION TYPE	DOCUMENTATION	WORK PRODUCT (materials demonstrating the work done)	DETAILS TO BE INCLUDED
Radio or TV Ad	<ul style="list-style-type: none"> Contract with media buyer and/or TV/radio stations Invoice(s) 	<ul style="list-style-type: none"> Ad script Detailed broadcast records, including date(s) and time(s) aired, number of placements, length of ad(s), and station(s) 	<ul style="list-style-type: none"> Vendor name Committee name Price per minute Total purchase amount Dated signatures of vendor and candidate/treasurer on contract
Print, internet, or billboard ad	<ul style="list-style-type: none"> Contract with media buyer and/or newspaper, magazine, or Internet site Invoice(s) 	<ul style="list-style-type: none"> Tear sheet(s) for print ads (or copy of ad from the publication) Screenshot(s) for Internet ads Photo of billboard 	<ul style="list-style-type: none"> Vendor name Committee name Dated signatures of vendor and candidate/treasurer on contract Date(s) of ad Price per insertion and total cost
Literature (e.g., pamphlets, flyers, posters, brochures, lawn signs)	<ul style="list-style-type: none"> Invoice(s) and/or receipt(s) 	<ul style="list-style-type: none"> Samples of printed materials 	<ul style="list-style-type: none"> Vendor name Committee name Detailed description of the piece Rate per piece, total number produced, and total purchase amount
Mailing	<ul style="list-style-type: none"> Contract with mail house and/or consultants Invoice(s) and/or receipts Bulk mail purchase receipts from USPS 	<ul style="list-style-type: none"> Sample mailing piece 	<ul style="list-style-type: none"> Vendor name Committee name Itemized description of goods Rate per piece, total number mailed, and total purchase amount Dated signatures of vendor and candidate/treasurer on contract
Canvassing or phonebanking	<ul style="list-style-type: none"> Contract Invoice(s) and/or receipt(s) Time sheets 	<ul style="list-style-type: none"> Copy of phone bank script Copy of script Summary of results 	<ul style="list-style-type: none"> Vendor name Committee name Date/hours phone banking was conducted Description of calling activity, e.g., robocall or live Total purchase amount

“Paid For By” Requirement

All campaign literature, advertisements, or other communications must include the words “paid for by” followed by the name of your authorized committee. (For example, “Paid for by Sophia for Council”.) If your campaign authorizes any individual or entity other than your campaign to pay for any of these communications (including those in support of or in opposition to any other candidate), the communication must include the words “authorized by” followed by the name of your authorized committee and this must be reported as an in-kind contribution to your campaign.

- ❖ For **printed material** and **websites**, the notice must be in a font of conspicuous size and style contained in a box within the borders of the communication. The “paid for by” notice must be large enough to be easily legible and in a font and color that are easy to read. The notice must also be oriented in the same direction as the text of the communication.
- ❖ For **internet ads** and **paid social media posts**, the notice should appear on the ad or post. If it is not possible for it to be conspicuously displayed on the ad due to size constraints, it may be placed at the destination of the ad or post’s link. Any internet ad or paid social media post that is large enough should contain the notice in a font of conspicuous size and style contained in a box.
- ❖ For **radio** and **audio** communications, the notice must be clearly spoken at the beginning or end of the communication.
- ❖ For **TV** and **video** communications, the notice must be clearly spoken at the beginning or end of the communication and, simultaneous with the spoken disclosure, written in a font of conspicuous size and style contained in a box within the borders of the communication.
- ❖ For **telephone** communications, the notice must be clearly spoken at the beginning or end of the communication. If the notice is spoken at the end of the communication, then the name of the candidate must also be clearly spoken at the beginning of the call.

The “paid for by” notice must be in the same language as the majority of the communication. For example, if the communication is mostly in Spanish, the “paid for by” notice must be in Spanish.

Travel Expenses

Your campaign may pay for or reimburse travel expenses for campaign-related activity only. This may include costs related to gas, parking, vehicle rentals, public transportation, cab fees, and other campaign-related travel.

Pay for travel expenditures using committee checks, debit cards, or electronic funds transfers. Attach copies of the front and back of canceled committee checks, or proof of payment if paid using a debit card or electronic funds transfer, to the corresponding invoices, bills, and travel logs.

You do not have to maintain a travel log when using public transportation within New York City.



COMPLIANCE ALERT

If the name of your authorized committee does not include the first and/or last name of the candidate, then the words “paid for by” or “authorized by” must be followed by the first and last name of the candidate, either instead of or in addition to the name of your authorized committee.

If your campaign intends to reimburse campaign staff or volunteers for use of their personal vehicle, you must obtain an [Automobile Travel Expenses Log](#). A standard rate of \$0.28 per mile is used when calculating personal vehicle use reimbursement. Reimbursement of personal vehicle use should be entered in C-SMART as an advance and advance repayment.

When campaign funds are used to cover expenses for both personal and campaign-related travel, the campaign must be reimbursed for the personal share within 30 days. The reimbursement should be entered in C-SMART as an other receipt from the individual.

DOCUMENTATION FOR TRAVEL COSTS

TYPE OF TRAVEL	REQUIRED DOCUMENTATION	DETAILS TO BE INCLUDED
Travel by Private Car	Automobile Travel Expenses Log for each trip and each vehicle	<ul style="list-style-type: none"> • Date of travel • Starting and ending location • Purpose of trip (including names of driver and passengers) • Odometer readings (beginning and ending mileage) • Signature of the person seeking reimbursement certifying the following: <ul style="list-style-type: none"> • He or she was the sole driver of the vehicle used for the trips noted on the log. • The completeness and accuracy of the travel log. • Confirmation the trips noted on the log were made only for campaign-related purposes.
Travel by Rental Car	Rental agreement and Vehicle use log	<ul style="list-style-type: none"> • Detailed rental agreement between committee and car rental company, and proof of payment for each vehicle rented • Date and time(s) of travel • Name(s) of the driver and passenger(s) • Purpose of travel • Location of all stops (including non-campaign related stops)
Travel Outside of New York City	Travel log	<ul style="list-style-type: none"> • Reason for travel • Name(s) of individual(s) traveling • Complete travel itinerary include date(s) of travel, type(s) of transportation used, and lodging information • Conference agenda if traveling to a conference. Fundraiser invitation if traveling to a fundraiser • Detailed invoices and receipts to document travel costs

Note: Travel between two stops is considered an individual trip for logging purposes even if the stops are part of a multi-stop itinerary.

Fundraisers

Expenditures for campaign fundraisers may include the cost of the venue, decorations, food and drinks, entertainment, and invitations. You must compile and maintain the following documentation for each campaign-sponsored fundraising event:

- ❖ Date and location of the event.
- ❖ Itemized list of all expenditures, including samples of invitations, flyers, advertisements, etc.
- ❖ Itemized list of all contributions received at the event.

Keep track of this information in C-SMART using the [Fundraising Events](#) feature.

Petitioning Expenses, Polling, and Get-Out-the-Vote Activities

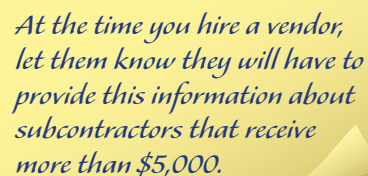
Your campaign is likely and expected to have expenditures for petitioning (e.g., wages, voter lists, printing, circulation, and litigation), and get-out-the-vote activities (literature distribution, door-to-door canvassing, etc.). Documentation for most of these expenditures has been covered previously — time sheets for petition carriers, printing contracts for printing blank petitions, etc. You will also need documentation that is unique to these expenditures, including:

- ❖ Samples of blank petitions.
- ❖ Copy of literature and descriptions of where they were distributed.

Subcontractors

Some vendors your campaign hires will use a **subcontractor**—an individual or entity that takes on some of the work for your vendor. For example, this is frequently the case when you hire a media consultant who designs and produces advertisements, but purchases airtime or print space from another vendor.

If a vendor pays an individual subcontractor more than \$5,000 throughout the course of your campaign, you must report the name and address of the subcontractor, a description of the goods or services provided by the subcontractor, and the total cost of the subcontracted services. The best way to obtain this information is by having each vendor complete a [Subcontractor Disclosure Form](#), particularly if you pay the vendor more than \$5,000 over the course of the campaign.



At the time you hire a vendor, let them know they will have to provide this information about subcontractors that receive more than \$5,000.

Example

Sophia for Council entered into a contract with Strategic Campaign Consulting for \$20,000 to develop and print literature for the campaign. Strategic Campaign Consulting designs the literature but pays ABC Printing \$8,000 to print it. Because Strategic Campaign Consulting paid ABC Printing more than \$5,000, Strategic Campaign Consulting provides a completed subcontractor disclosure form to Sophia for Council disclosing ABC Printing as a subcontractor, and Sophia for Council enters the subcontractor's information in C-SMART.

Expenditures Related to Duties of Public Office

Candidates who are current public elected officials are allowed to use campaign funds to pay for expenditures to facilitate, support, or otherwise assist in the execution or performance of the duties of public office. Contact your Candidate Services liaison for guidance before making any expenditures for this purpose.



C-SMART

When you disclose expenditures related to duties of public office in C-SMART, you must select the Public Office purpose code.

Childcare Services

Candidates are allowed to use campaign funds to pay for childcare services for their child or children under thirteen years of age in the year before the election and election year. This is allowable only if the candidate is a primary caregiver for the child or children and only if the candidate first submits a statement of campaign childcare eligibility that is approved by the CFB. The statement must be submitted before any childcare service expenditures are incurred, and no childcare service expenditures can be incurred after the election. These expenditures cannot be paid for with public funds and are exempt from the spending limit up to \$20,000. See the [Childcare Expenses](#) guidance document for more information.



C-SMART

When you disclose expenditures on childcare services in C-SMART, you must select the Childcare Services purpose code.

What Spending is Permitted After the Election?

Program participants who have received (or expect to receive) public funds must be cautious about making any **post-election expenditures**.

Only limited expenditures associated with winding down your campaign and responding to the post-election audit are permissible, including:

- ◆ Reasonable payment of rent and outstanding utility bills related to winding down your campaign within 30 days.
- ◆ Reasonable moving or storage costs related to closing the campaign office.
- ◆ Payment of taxes and other reasonable expenses for compliance with applicable tax laws.
- ◆ Payment of staff salaries in accordance with existing contracts or agreements for specific post-election work. These payments should not be excessive and should be in proportion to the size of the campaign and the work performed.
- ◆ One-time printing and distribution of “thank you” notes to contributors, staff, and campaign volunteers.
- ◆ A single post-election event for staff, volunteers, and/or supporters held within 30 days of the election.




COMPLIANCE ALERT

Even if permissible, post-election expenditures will never be considered qualified expenditures. Once the election is over, your campaign must shut down/deactivate any accounts or services (credit card processors, email servers, fundraising databases, webhosting, etc.) that charge a fee. Failure to close these accounts or terminate these services will result in findings of improper post-election spending if you received public funds.

- ❖ One-time printing and distribution of a holiday card mailing to contributors, campaign volunteers, and staff.
- ❖ Reasonable fees associated with defending against a claim that public funds must be repaid, incurred prior to the date of the issuance of the Final Audit Report.

Your campaign is prohibited from spending money on the following items after the election:

- ❖ Bonuses or gifts to staff or volunteers.
- ❖ Contributions to other campaigns, organizations, or clubs.
- ❖ Spending for transitional and inaugural activities.
- ❖ Post-election mailings (except for the mailings described above).



COMPLIANCE ALERT

Post-election expenditures are reviewed carefully by the CFB and may be considered improper if the expenditures are determined to be unreasonable or non-campaign related. Furthermore, an expenditure may be considered non-campaign related or an improper post-election expenditure if you are missing or have inadequate documentation to demonstrate its purpose.

How Much Money Can My Campaign Spend?

There are three separate **spending limits** (also called **expenditure limits**) covering different parts of the election cycle: out-year (or before the election year), primary election, and general election. An expenditure limit is the maximum total amount your campaign can spend during that particular part of the election cycle. The amounts vary depending on which office you seek. All participants are subject to spending limits.

EXCEPTION: Non-participants (candidates who do not join the Program) do not have spending limits.

2021 SPENDING LIMITS

	MAYOR	PUBLIC ADVOCATE & COMPTROLLER	BOROUGH PRESIDENT	CITY COUNCIL
2018–2020 (out-year)*	\$343,000	\$343,000	\$153,000	\$51,000
2021 Primary Election†	\$7,286,000	\$4,555,000	\$1,640,000	\$190,000
2021 General Election	\$7,286,000	\$4,555,000	\$1,640,000	\$190,000

* The amount listed for the out-year period is the maximum you can spend for all three years combined. Spending in excess of these amounts will be charged against the first limit applicable in 2021.

† If no primary election is held, there is no primary election spending limit.

The **out-year expenditure limit** applies to the total of your campaign spending between January 13, 2018 and December 31, 2020. If your campaign spends more than the out-year limit, the amount by which you exceed the out-year limit will be deducted from your campaign’s next expenditure limit (primary or general).

Example—Out-Year Spending

Sophia for Council spent \$69,000 during the out year, exceeding the \$51,000 out year limit by \$18,000. That \$18,000 will be counted against her primary election expenditure limit, so the campaign can now only spend \$172,000 for the primary instead of \$190,000.

Only campaigns registered with the CFB and active during the out-year period receive the benefit of an out-year expenditure limit. If you do not spend the maximum allowed, you do not get to carry the difference over to the next election.

The **primary election expenditure limit** runs from January 1 of the election year through Primary Election Day. You will receive the benefit of this expenditure limit if you are on the ballot for the primary election. Exceeding this expenditure limit will result in substantial penalties.

EXCEPTION: If you are not on the primary election ballot but you are on the general election ballot, you may qualify for a primary election spending limit if:

- Another party is holding a contested primary for the same office and you file all primary election disclosure statements on time (Disclosure Statements #10, #11, and #12), including applicable daily disclosure statements. (See also [page 61](#).)

OR

- Your campaign spent money in reasonable anticipation of a primary election that did not occur. In this case, you must submit a written petition to the CFB no later than 10 business days after the last remaining candidate is disqualified from the ballot. The petition must include an affidavit with supporting documentation demonstrating that you reasonably anticipated a primary election. You must also file all primary election disclosure statements.

The **general election expenditure limit** covers all spending from the day after the primary election through the day of the general election if you were in a primary, or between January 1 of the election year and the day of the general election if you were not in the primary and are not claiming a primary limit. Exceeding this expenditure limit will also result in substantial penalties.



COMPLIANCE ALERT

Penalties for violating the primary and/or general election expenditure limits can be substantial. The law permits a penalty of up to three times the overage for spending limit violations because such violations can significantly affect the outcome of an election and cannot be corrected. In addition to being held liable for penalties, your campaign could lose eligibility for public funds and be required to return any public funds it already received.



CONTACT US

Call or email your Candidate Services liaison if you need additional guidance on petitioning the Board regarding a reasonably anticipated primary.

Example—Primary Election Spending

Sophia for Council spent \$134,000 for the primary election, \$28,000 less than her adjusted limit ([see prior example](#)). This \$28,000 does not carry over to the general election—she will still be limited to spending \$190,000 for the general election (if she is on the ballot).

Candidates in Both the Primary and General Elections

You can spend up to the full amount of the primary expenditure limit and general expenditure limit if you are on the ballot for both elections. If you do not spend the maximum allowed on the primary, the general election limit does not change; you cannot carry the difference over. Furthermore, if you spend more than the primary limit you cannot “fix” it by spending less in the general election.

Post-election Spending

Expenditures made after the date of the last election in which you are a candidate (post-election expenditures)—whether the primary or general—are not subject to the spending limits. However, post-election spending is restricted (see [page 39](#)).

Expenditure Limit Relief

If you are running against a high-spending non-participant, the expenditure limit for your campaign may be increased or eliminated:

- ❖ If a non-participant raises or spends more than half the applicable spending limit, the spending limit for all participants in that race will be increased by 50%.
- ❖ If a non-participant raises or spends more than three times the applicable spending limit, participants in that race will no longer be subject to a spending limit.

The CFB will review disclosure statements to see if expenditure limit relief is warranted and will notify you. You may also petition the Board if you believe your non-participating opponent has triggered expenditure limit relief.

Warning: Never assume your expenditure limit has been increased or suspended unless you receive written confirmation from the CFB.

On a monthly basis, your campaign should compare its bank statements to C-SMART to monitor how close you are to the applicable spending limit. You should budget for last-minute expenditures and/or late bills.

Restrict the number of staff authorized to make expenditures (e.g., sign checks, use the debit card) and make sure staff responsible for your campaign's compliance closely monitors all spending. In most cases, only the candidate, treasurer, and/or campaign manager should be authorized to make expenditures.

Attributing Spending

Spending is attributed to a particular spending limit based on when the goods or services are received, used, or rendered, without regard for the date of a bill or bill payment. In other words, you cannot prepay for goods or services in order to evade the applicable expenditure limit.

Goods or services received, used, or rendered in more than one expenditure limit period are attributed to the applicable limits based on the timing and usage of the expenditure. Keep in mind the following:

- ❖ Spending for campaign advertising or other campaign communications is attributed to the spending limit in effect when the advertisement or communication is distributed, broadcast, or published. A communication that is mailed is considered to have been distributed on the date on which it was postmarked.
- ❖ Spending for services or deliverables provided over a period that includes both the primary and the general elections shall be attributed in a reasonable manner to each spending limit, as appropriate.
- ❖ You may be required to demonstrate that an expenditure should be attributed to the primary or general spending limit, as appropriate, based on the timing, nature, and purpose of the expenditure.

Example—Out-Year Attribution

Sophia for Council held a fundraiser on November 19, 2020, but the caterer failed to bill the campaign until January 3, 2021. This expenditure is attributed to the out-year expenditure limit because the fundraiser took place during the out-year period.

Example—Primary Attribution

Sophia for Council paid its consultant in advance for the first quarter of 2021 on December 27, 2020. Because this payment is for work to be performed in the election year, this expenditure is attributed to the primary expenditure limit.



REMINDER

Bank and merchant account fees are considered expenditures. These include monthly bank fees, returned check fees, [NYC Votes Contribute](#) or other credit card processing fees, and costs for certified checks. Enter all fees charged to the committee and merchant bank accounts in C-SMART.



COMPLIANCE ALERT

Program participants can only use one committee per election cycle.

Since expenditures are presumed to be for a candidate's next election, spending by any committee(s) other than the committee you authorized with the CFB will be attributed to your current election cycle's committee if it furthers your campaign in any way.

Example—General Election Attribution

Sophia for Council purchased \$7,000 worth of stamps in May of the election year, and used \$1,000 of the stamps to mail primary brochures. It used the rest of the stamps to mail brochures in October for the general election. Even though the campaign paid out the entire amount in May, only \$1,000 counts toward the primary limit; \$6,000 counts toward the general election spending limit.

Example—Out-Year and Primary Election Attribution

Sophia for Council pays a consultant \$2,500 to develop a public relations plan for its campaign and \$2,500 to design and produce its first mailer. The \$5,000 is paid in October 2020, the strategic PR memo is delivered to the campaign in November 2020, and the mailer is mailed in February 2021.

The \$2,500 for the service to develop the plan is attributable to the out-year spending limit because the work was performed and delivered in 2020. However, the \$2,500 for the mailer is attributable to the primary election spending limit because the service (in this case, the mailer) did not go out until February 2021.

Exempt Expenditures

Exempt expenditures are limited types of campaign spending that do not count toward your expenditure limit if they are reported and adequately documented. Costs related to the following categories are considered exempt:

- ❖ Challenging or defending the validity of ballot petitions.
- ❖ Canvassing and re-canvassing of election results.
- ❖ Bringing or defending an action or lawsuit that has to do with a candidate's compliance with the Campaign Finance Act, election law, or other laws related to a candidate's run for office or ballot status. This would also include preparing for an appearance before the Campaign Finance Board regarding a candidate's eligibility for public funds.
- ❖ Costs for organizing and photocopying documents in preparation for the post-election audit.
- ❖ Childcare services totaling \$20,000 or less for children under 13 years of age only after the CFB receives and approves a [Statement of Childcare Eligibility](#).



C-SMART

Designate expenditures you wish to claim as exempt using the exempt code drop-down menu in C-SMART and enter the amount you are claiming as exempt.

Most campaigns do not have any exempt expenditures because they are only permitted under these limited circumstances, which are interpreted narrowly. For an expenditure to be considered exempt, you must document how it falls within one of these categories. Exempt expenditures must also be reported as exempt as they occur during the election cycle. Note: there may be instances where only a portion of an expenditure can be claimed as exempt.

Exempt expenditures must be paid by committee check or debit card, not in the form of an advance.

Example

Sophia for Council hired a law firm to handle a number of legal matters. The firm charged the campaign a total of \$4,500. \$2,500 was for helping the campaign review her petitions before submitting them to the BOE, and the remaining \$2,000 was for defending against a petition challenge. Sophia for Council can only claim the \$2,000 spent for defending against the petition challenge as exempt, and must provide documentation, such as a detailed invoice breaking out the costs from the law firm.

What Other Expenditures and Transactions Can Affect My Spending Limit?

Joint Expenditures

A **joint expenditure** is an expenditure made by two or more candidates for shared campaign materials or activities. Examples include the printing and distribution of ballot petitions, campaign literature, and fundraisers planned by, featuring, and benefitting more than one candidate. Campaigns are permitted to engage in joint expenditures provided the benefit each candidate derives from the joint activity is proportional to the amount each candidate pays. If you have any joint expenditures, you must document your share of the cost based on the benefit received, and pay that amount.

Your campaign must document joint expenditures by demonstrating how the cost was divided. The CFB recommends that the vendor(s) directly bill each campaign for their equal or proportionate share. The invoices should display both the total cost of the goods or services and itemize each campaign's amount payable.

Example

Sophia for Council and two other campaigns—Wong for Borough President and Eileen for Mayor—create a palm card promoting all three of their candidacies. The information about Eileen for Mayor takes up one side of the card; Sophia for Council and Wong for Borough President evenly split the other side. The total cost of creating and printing the palm cards is \$4,000, and the vendor bills each campaign separately for its share. Eileen for Mayor is receiving half the benefit of the card and pays half the cost, \$2,000, while Sophia for Council and Wong for Borough President each have a quarter of the card and thus pay \$1,000 each. All three campaigns keep a copy of the invoice showing that it was a joint expenditure and the amount charged.

Another option is for one campaign to cover the total cost(s), and the other campaign(s) reimburse the first campaign for their agreed-upon share. The CFB does not recommend this option because reporting and documenting the transaction becomes much more complicated for all the campaigns involved. Contact your Candidate Services liaison for guidance.

If you cannot demonstrate the cost paid by your campaign was proportionate to the benefit received by your campaign, some or all of the remaining amount of the joint expenditure will be considered an in-kind contribution to your campaign (if you did not pay your fair share) or from your campaign (if you overpaid).

Some of the factors the CFB uses to determine a campaign's proportionate share of joint expenditures include:

- ❖ The focus of the material or activity.
- ❖ The geographic distribution or location of the material or activity.
- ❖ The subject matter of the communication.

- ❖ The references to the candidate or candidate’s appearances therein.
 - ❖ The relative prominence of a candidate’s references in the communication, including the size and location of references to the candidate and any photographs of the candidate.
 - ❖ The timing of the communication.
 - ❖ Other circumstances surrounding the communication.
-

EXCEPTION: Some limited forms of public support by one candidate to another candidate are not considered joint expenditures even when the names of both candidates appear on the same written communications or the candidates appear together at a public event. In order for the mention of a candidate on a list of endorsers to be exempt from reporting either as a joint expenditure or an independent expenditure, it must:

- ❖ Not identify the endorser as a candidate. The endorser may be identified by his or her current office, if any.
- ❖ Not use any language that promotes or encourages a vote for the endorser.

Example

Sophia Rosario is endorsed by Borough President Barbara Wong, who is herself running for re-election. Sophia for Council notes this endorsement on all its literature. This is not considered a joint expenditure and no part of the cost for that literature will be attributed to Wong for Borough President as long as the literature does not list Wong as a candidate nor include language that promotes or encourages a vote for Wong.

Candidate Personal Political Contributions

Certain political contributions made by a candidate using his or her own personal funds are considered campaign-related and must be reported to the CFB.

This applies to contributions made with the candidate’s personal funds that:

- ❖ Total more than \$1,000 to the same entity at any point from the start of the election cycle through Election Day.
- ❖ Are made to political committees that support or oppose candidates in New York City. This includes political parties (including housekeeping accounts), political action committees, political clubs, political organizations, and other entities or groups that support or oppose candidates.

This does not apply to contributions made with the candidate's personal funds to:

- ❖ Other candidate committees.
- ❖ Committees that support only federal candidates.
- ❖ Committees that the candidate has contributed to in the past, as long as the contributions in the current election cycle are not more than 150% of the amount contributed in the last election cycle. For example, if the candidate contributed \$500 to a committee last cycle, this cycle's contributions to that committee would only need to be reported if they exceeded \$750.

The amount of these contributions:

- ❖ Counts against the campaign's expenditure limit for the period in which they occurred — out-year, primary election, or general election.
- ❖ Counts against the candidate's contribution limit to his or her own campaign.

Contributions to committees registered with the BOE or Federal Election Commission as independent expenditure committees **do** need to be reported, but **do not** count against the contribution or expenditure limits.

Documenting Candidate Personal Political Contributions

To ensure accurate disclosure, maintain documentation for all candidate personal political contributions including:

- ❖ Receipts for contributions.
- ❖ Copies of personal checks used to make the contribution.
- ❖ Copies of personal bank or credit card statements.



C-SMART

All candidates (including non-participants) must report candidate personal political contributions using C-SMART. These transactions must be reported on Schedule Y of your next disclosure statement.

CFB Review

The CFB will notify your committee if a review identifies any additional candidate personal political contributions that need to be disclosed. Such transactions may be identified through a CFB review of recipients' disclosure to the BOE or Federal Election Commission. You must enter any unreported transactions in C-SMART and submit them with your next disclosure statement.

Candidate Response to CFB Review

If any of the contributions cited by the CFB should not be considered a campaign contribution and expenditure, you must provide evidence indicating that the contributions were not in furtherance of the campaign. This can be demonstrated through documentation and/or explanation that:

- ❖ The contribution meets one of the exclusions listed above.
- ❖ The candidate has a prior personal relationship with the recipient committee, such as the candidate or close family member serving on its board.

The CFB may consider the timing, nature, and amount of all candidate personal political contributions in determining whether the contributions are campaign related in accordance with [Final Board Determination 2009-1](#) and [Rule 4-05\(c\)](#).

Independent Expenditures

When an individual or entity spends money that benefits your campaign without your campaign's cooperation, approval, or involvement, that is an **independent expenditure**. Some examples include literature promoting your campaign that is paid for, produced, and distributed by another organization, or get-out-the-vote operations.

As long as these expenditures are truly independent, they will neither be considered in-kind contributions to your campaign nor count toward your spending limit. However, if the CFB determines that an expenditure was not independent (that it was "coordinated" between your campaign and the other entity), the cost will be considered an in-kind contribution subject to both the contribution and expenditure limits. You may be assessed substantial penalties if you fail to disclose expenditures that are not independent and, in extreme cases, could lose eligibility for public funds and be required to return any public funds already received.

An expenditure is coordinated (not independent) if you or your campaign authorized, requested, suggested, fostered, or cooperated in the activity. The Board determines whether a particular expenditure is independent by looking at the facts of a particular case, and considering various types of evidence of non-independent activity including common staff and consultants, shared space, and joint strategy meetings between your campaign and the other individual or entity, among other things.

Some criteria for determining whether an expenditure is coordinated include:

- ❖ Whether the spender is also an agent of a candidate (e.g., treasurer, campaign manager, or other campaign representative).
- ❖ Whether any person authorized to accept receipts or make expenditures for the spender is also an agent of a candidate.
- ❖ Whether a candidate has authorized, requested, suggested, fostered, or otherwise cooperated in the formation or operation of the spender.
- ❖ Whether the candidate has solicited or collected funds on behalf of the spender during the same election cycle during which the expenditure is made.
- ❖ Whether the spender and any political committee authorized by the candidate have been established, financed, maintained, or controlled by any of the same persons, political committees, or other entities.



COMPLIANCE ALERT

If your campaign uses the same consultant (or other third party providing professional services) as an independent spender, this may lead to a determination that the spender's activity was not truly independent and is instead an in-kind contribution to your campaign, subject to the contribution and spending limits. See [page 16](#) for more information.

- ❖ Whether the spender and the candidate have each consulted or otherwise been in communication with the same third party or parties, if the candidate knew or should have known that the candidate’s communication or relationship to the third party or parties would inform or result in expenditures to benefit the candidate.
- ❖ Whether the candidate shares or rents space for a campaign-related purpose with or from the spender.
- ❖ Whether the candidate or any public or private entity held or controlled by the candidate (including a governmental agency, division, or office), has retained the professional services of the spender or a principal member of the spender (including professional or managerial employees) during the same election cycle in which the expenditure is made.

Example

A political club pays for a newspaper ad in support of Sophia for Council and neither the candidate nor any other campaign staff member was involved in the creation or publication of the ad. In this instance, the cost related to the ad will be considered an independent expenditure. However, if Sophia for Council’s treasurer had communicated with the club about the ad, or if Sophia Rosario is the founder of this political club, the expenditure would not be considered independent and would be attributed to the campaign.

Independent spenders that produce certain ads, mailings, or literature or conduct phone banks that refer to a candidate or ballot proposal must file disclosure reports with the CFB. These reports include information about the governance of the independent spender, a copy of the communication and how much it cost, and information about contributions received by the independent spender. These reports are filed at the same time as reports filed by candidates, but only during the year of the election. Although independent expenditures that refer to you (or your opponent) do not count toward your spending limit and will not be considered in-kind contributions, they will be disclosed on the CFB’s website along with your contribution and expenditure data.

If your campaign makes any independent expenditures—e.g., you pay for an ad supporting Eileen for Mayor without her involvement—your campaign may have to file an Independent Expenditure Disclosure Report, which is separate from your regular disclosure (for more information, see the [Guide to the CFB Independent Expenditure Disclosure Rules](#) and contact your Candidate Services liaison). Certain independent expenditures your campaign makes will be subject to deductions from public funds payments. See [page 80](#) for more information.



REMINDER

The CFB requires third-party spenders to disclose their activities. However, your campaign is not responsible for obtaining or providing this disclosure, and in fact your campaign should not communicate with third-party spenders if an expenditure is truly independent.

Expenditure Refunds

If a vendor returns a portion of your payments, i.e., because it did not provide the goods or services, you must enter this expenditure refund in C-SMART and document it with an amended invoice or receipt, or a letter or email from the vendor indicating details of the refund, including the amount refunded and why.

Example

Sophia for Council paid \$3,000 in full for a television commercial to be aired 10 times. However, the commercial aired only 6 times. The campaign contacted the vendor and asked for a refund since it did not receive the services stipulated on the invoice. Sophia for Council received a partial refund; obtained a revised invoice showing the expenditure refund and an explanation for the refund; and entered a bill payment refund in C-SMART.

If a vendor issues the refund via check:

- ❖ Copy the vendor's check and deposit it into your committee bank account.
- ❖ Keep the original receipt and documentation of the refund.

If a vendor issues the refund via credit:

- ❖ Keep a copy of your committee bank statement or your committee credit card statement showing the refund posting to your bank account.
- ❖ If the credit is not actual money returned but rather credit toward another purchase, provide documentation for the amount of the credit and how it was applied.



C-SMART

If you receive a refund after you have paid the full bill amount, enter a bill payment refund for the amount refunded.

If you receive a refund and you have not paid the full bill amount, adjust the original bill amount to reflect the new amount due.

Forgiven Debt/Liability

If a vendor forgives an outstanding amount for goods or services provided or if payments made to a vendor via committee check do not clear your campaign's bank account, the debt is considered forgiven. This is not the same as when a vendor refunds money because it did not provide the goods or services. The amount associated with the forgiven debt or liability will be considered an in-kind contribution from the vendor to your campaign, subject to the limits and prohibitions that apply to contributions, and count toward your spending limit.

Forgiven debts must be entered in C-SMART and you must get a letter from the vendor, lender, or advancer confirming that the debt owed by the campaign is forgiven.



COMPLIANCE ALERT

Debts you owe to corporations, LLCs, LLPs, or partnerships cannot be forgiven because contributions from these entities are prohibited.

Fines

While all campaign activities should be conducted in accordance with federal, state, and city laws, non-criminal fines related to campaign activities, such as Environmental Control Board fines for illegal posterage, may be considered campaign-related expenditures. You must provide documentation for each fine and an explanation of how it relates to your campaign. If you are a Program participant, the amount of the fines will count toward your campaign's spending limit based on the incident/violation date, not the date of the notice or the date of the payment.

Pay each fine using a committee check, debit card, or electronic funds transfer. Keep copies of the 1) front and back of the canceled check, or proof of payment if paid using a debit card or electronic funds transfer; 2) the ticket or violation notice; 3) your explanation of why it is campaign related; and 4) all other supporting documentation for the violation. Expenses for litigation or appearances at hearings related to civil fines may also be campaign-related, and you must report and document them.

If the candidate pays the fine using personal funds, enter it in C-SMART as an in-kind contribution or advance if the candidate expects reimbursement.

How Should Payments Be Made?

Campaign expenditures should be made directly from your committee's bank account using:

- ❖ Committee check.
- ❖ Committee debit card.
- ❖ Electronic payment directly from your committee bank account.

Not only does this simplify your recordkeeping, it also ensures your campaign only makes expenditures it can afford.

Your committee name must be printed on your committee checks. When writing a check, make sure the payee name on the check matches the invoice, receipt, or contract and the check is signed by the candidate, treasurer, or other authorized signatory from your campaign.



C-SMART

Payment of a fine is entered in C-SMART as a bill and bill payment.

The amount of a fine should be entered immediately in C-SMART even if you intend to challenge the violation. If the original amount of the fine changes, modify the bill amount and then enter the amount paid.



COMPLIANCE ALERT

Pay your bills promptly and make sure your checks clear your bank account. Outstanding liabilities left unpaid past 90 days will be considered in-kind contributions to your campaign subject to the limits and prohibitions on contributions unless the vendor makes a commercially reasonable attempt to collect the debt.



REMINDER

It is important to establish adequate internal controls for all payment methods.

Alternate Payment Methods

Recordkeeping and reporting requirements are more complex for advances and petty cash payments, so it is recommended you use them sparingly, if at all.

Advance Purchases

When a person pays for a campaign-related expense out of personal funds and expects to be reimbursed, it is an **advance purchase**, which is an expenditure that counts toward your spending limit. The amount advanced by an individual is also considered an in-kind contribution until it is repaid, and applies toward that person's contribution limit to your campaign.

An **advance repayment** is the reimbursement your campaign makes to the advancer and is considered a campaign expenditure.

In order to properly document advance purchases and repayments, use the [Advance Repayment Voucher](#).

In addition to the Advance Repayment Voucher, you must keep:

- ◆ Invoice or receipt for each purchase.
- ◆ Front and back of the canceled committee check used to repay the advance.

If an individual makes several advances, you may reimburse the advancer in one lump sum or make partial repayments.

Example

Sophia for Council was short on envelopes for a mailing that had to be sent out that day. A campaign volunteer went to the store and bought a box of envelopes for \$12.00 using his own money, with the expectation of being reimbursed. The volunteer presented the receipt to the treasurer and filled out an Advance Repayment Voucher. The treasurer issued a committee check to the volunteer as the repayment, and entered the details of the advance purchase and advance repayment in C-SMART.



C-SMART

Make sure you enter all bills and bill payments in C-SMART. If you do not fully pay a bill within a reporting period—or if you do not enter the payment in C-SMART—C-SMART will automatically classify it as an outstanding liability in your disclosure statements.



COMPLIANCE ALERT

Advance purchases are not qualified expenditures with the exception of single advance purchases over \$250 if the underlying purchase would otherwise be qualified. (See [page 83](#) for further details on what a qualified expenditure is.)



C-SMART

Don't enter advance purchases as bills and bill payments. Enter them as advances and advance repayments in C-SMART.

Reserve advances for low-dollar, last-minute purchases. Reporting and documenting advances and advance repayments is complicated. There is also the danger of accidentally exceeding the contribution limit or inadvertently accepting a prohibited contribution.

Petty Cash

Petty cash may be used to make small expenditures. However, petty cash violations are a common compliance problem. Limits and requirements include:

- ❖ Petty cash must be withdrawn from your campaign's bank account. (Cash contributions must be deposited into your account; you cannot use them as a source of petty cash.)
- ❖ The amount of petty cash at any given time cannot exceed \$500.
- ❖ Each purchase made using petty cash cannot exceed \$100.

Since cash is a vulnerable asset, your campaign should establish internal controls and create procedures for handling petty cash correctly.

Add money to your petty cash fund by writing a committee check payable to "Cash" and presenting it to a bank teller, or withdrawing cash from an ATM using your committee's debit card. Any cash withdrawals from your committee bank account will count toward your expenditure limit. Remember to return any change left over from a purchase back into your petty cash fund.

Documentation for petty cash must include:

- ❖ ATM receipt, or bank withdrawal slip with a copy of the front and back of the canceled check payable to "Cash".
- ❖ Receipt or invoice for each petty cash purchase.
- ❖ C-SMART Petty Cash Journal report.

Committee Credit Card

Some campaigns make purchases using a committee **credit card**. The credit card account must be in your committee's name and disclosed as part of your registration with the CFB.

This method of payment is not recommended by the CFB because it may cause your campaign to rely on credit as opposed to available campaign funds. Further, recordkeeping and reporting requirements for credit card expenditures are more complicated.



COMPLIANCE ALERT

Because you may not have more than \$500 in your petty cash at any given time, any cash withdrawal larger than \$500 will be questioned by the CFB.



C-SMART

Use C-SMART to record deposits into the petty cash fund and purchases made. If you re-deposit unused petty cash, enter the transaction as an other receipt with the source as "Petty Cash Re-deposit." Run the Petty Cash Journal report to review your petty cash fund activity and/or submit the report to the CFB upon request.



COMPLIANCE ALERT

Cash expenditures (including advances made using cash) are never qualified (see [page 83](#) for further details on qualified expenditures).



C-SMART

Review [C-SMART Help](#) for instructions on entering expenditures made using a committee credit card. Contact your Candidate Services liaison if you have any questions.

Documentation for expenditures by committee credit card must include:

- ❖ Monthly statements from the credit card company, with the transaction ID written next to each purchase.
- ❖ Front and back of the canceled committee check(s) used to pay the credit card bill, or bank statements showing an electronic payment from your committee bank account.
- ❖ Invoices, bills, or receipts for each purchase listed on the credit card statement, with the transaction ID written on all of these documents.



REMINDER

A purchase made with a personal credit card, even that of the candidate, is either an advance (if the person expects to be reimbursed) or an in-kind contribution.

What Records Do I Need to Keep for Expenditures?

You must keep the original and two copies of each document.

From your bank:

- ❖ The front and back of every canceled committee check.
- ❖ Bank statements.
- ❖ Wire transfer records showing electronic payments (may be listed on your bank statements).

From your vendors:

- ❖ Contracts.
- ❖ Invoices or receipts (including those supporting credit card payments, petty cash payments, and advance repayments).
- ❖ Samples of the work product.
- ❖ Bulk mail purchase receipts from USPS.
- ❖ Subcontractor disclosure form, if applicable.
- ❖ Expenditure refund receipts and/or copy of the refund check.

Other:

- ❖ Credit card statement.
- ❖ Advance repayment vouchers.
- ❖ C-SMART Petty Cash Journal report.

Use the labels posted on the CFB website to create an organized filing system for your records. Contact your Candidate Services liaison for additional labels.



REMINDER

Every transaction entered in C-SMART will have a transaction ID assigned to it. You must write the transaction ID on every document relating to a particular transaction.

Disclosure Statements

This chapter covers how and when to report your campaign's financial information and organize your filings. You must report all the money your campaign raises and spends to the Campaign Finance Board (CFB) in the form of disclosure statements.

The Basics

- You cannot submit disclosure statements until you have registered your committee (see [Chapter 1](#)).
- Attend both a Compliance and a C-SMART training before you file your first disclosure statement.
- Use C-SMART to file your disclosure statements with the CFB.
- To complete your disclosure statement, submit backup documentation and bank records to the CFB no later than 5:00 pm on the disclosure statement due date.
- See more detailed information on [CFB Submission](#), [Daily Pre-Election Disclosure Reports](#), [Upload Documentation \(Bulk\)](#), [NYC Votes Contribute Upload](#), and [Merge Duplicate Names](#) in [C-SMART Help](#).

What is a Disclosure Statement?

A disclosure statement is a report you prepare and submit using C-SMART to disclose your campaign's financial activity to the public. The length of a reporting period varies throughout the election cycle, with more frequent disclosure required closer to election days (see the [Disclosure Deadlines](#) on the CFB website). Your disclosure statement will include all contributions you received and all expenditures you made during that reporting period. You must disclose all contributions in the reporting period in which they were received, or they will not be matched with public funds. You must also disclose all expenditures in the reporting period in which the expenses were incurred, even if they remain unpaid.

In addition to reporting all financial activity, you must also submit documentation including **contribution backup documentation**, bank statements, deposit slips, expenditure documentation, loan documentation, and intermediary statements. The CFB reviews your disclosure statements and alerts you about compliance problems. The statement review process is covered in the next chapter.

The CFB will post your disclosure information on its website in its [Follow the Money](#) database and [Campaign Finance Summary](#). This allows the public and the media to see who is contributing to local campaigns and how the money is being spent.

How Do I Submit Disclosure Statements?

You must use C-SMART to submit your disclosure statement. Only the candidate or treasurer listed on your committee's registration can verify and submit disclosure statements. The candidate or treasurer must review and check the verification and confirmation sections, which will serve as an electronic signature. Your statement must be received electronically by midnight on the due date. You will receive a delivery confirmation after you successfully submit your disclosure statement.

For detailed guidance, see the [Guide to Filing Day](#).



COMPLIANCE ALERT

There are no extensions for disclosure statement due dates.

What Documentation Do I Submit with CFB Disclosure Statements?

You must submit backup documentation for contributions you claim for match, all bank records covering the disclosure period (including bank statements, itemized deposit slips, and credit card and merchant account statements, if applicable), loan documentation, intermediary statements, a list of fundraising agents you used, and documentation for segregated bank account activity (if any) during the reporting period with each disclosure statement you submit to the CFB. You must also submit documentation for expenditures, in-kind contributions, other receipts, and any other financial activity that occurs during the disclosure period.

All documentation must be uploaded directly into C-SMART. Your disclosure statement could be considered late or not submitted if you do not submit backup documentation for your matching claims. Refer to [C-SMART Help](#) for assistance with uploading documentation to C-SMART and submitting disclosure statements.

Backup Documentation for Matching Claims

You must submit backup documentation for every contribution you claim for match. The necessary backup documentation varies by the type of contribution.

TYPE	BACKUP DOCUMENTATION
Check	Copy of check
Cash	Copy of contribution card
Money Order	Copy of contribution card and copy of money order
Credit Card	Credit card proof of processing and the paper or digital contribution card, if applicable (see the Credit Card Contributions guidance document)

EXCEPTION: Non-participants are not required to submit backup documentation with disclosure statements because they are not claiming matching funds.

Bank Records

You must submit all bank records covering the disclosure period:

- ✦ Bank statements (up to the most recent statement received). You must submit all pages of each bank statement, even if any pages are blank.
- ✦ Itemized deposit slips.
- ✦ Merchant account statements (if accepting credit card contributions outside of NYC Votes Contribute).
- ✦ Credit card statements (if using a campaign credit card to make purchases).

Expenditure Documentation

You must submit documentation for expenditures incurred or paid during the disclosure period, including liabilities that have not yet been paid.

For bills, this includes:

- ✦ Contracts.
- ✦ Invoices.
- ✦ Lease agreements.
- ✦ Payroll documentation.
- ✦ Receipts.

For bill payments, this includes:

- ✦ Canceled committee checks.
- ✦ Electronic payment records.

Loan Documentation

If you received any loans or made any loan repayments during the reporting period, you must submit the following documentation with your disclosure statement:

- ✦ Detailed loan agreement(s) (see [page 23](#)).
- ✦ Copies of the loan check(s).
- ✦ Copies of your repayment checks (front and back).

Loan documentation is required from all candidates, regardless whether they participate in the Program.

Fundraising Agent Documentation

If your campaign used any fundraising agents you must submit a cover letter listing them with your disclosure statement (see [page 117](#)). This information is required regardless whether you join the Program.

Segregated Bank Account Documentation

If you opened a segregated bank account to avoid a deduction in your public funds payment (see [page 81](#)), you must submit copies of segregated bank account contribution cards and checks for contributions received during the reporting period. You must also submit copies of the bank statements you received for the segregated bank account during the reporting period.

How Often Do I Submit Disclosure Statements?

You are required to file disclosure statements on scheduled dates throughout the election cycle. In the out-year period, disclosure statements are submitted twice a year, in January and July. During the election year, the submissions are more frequent. Following the election, disclosure statements must be filed every January and July until your campaign has satisfied all outstanding liabilities and appropriately disposed of all assets. Each reporting period ends four days before the disclosure statement due date. This four-day window gives you time to prepare, review, and submit your campaign's disclosure statement. It is a violation of the Act to submit a disclosure statement late. You could be subject to a penalty and your matching claims for that disclosure period could be invalidated.



COMPLIANCE ALERT

Registered candidates who fail to get on the ballot but continue to campaign as a write-in candidate are required to file disclosure statements, but are not eligible to receive public funds. If you intend to be a write-in candidate, contact your Candidate Services liaison.

The disclosure statement deadlines for the 2021 citywide elections can be found [here](#). Generally, you must file every disclosure statement once you register your campaign with the CFB. However, the following are exceptions to this requirement.

Candidates Who Are Not in the Primary Election

If you are not on the ballot for the primary election, you are not seeking the benefit of a primary election spending limit (see [page 40](#)), and you have not made a contribution to another candidate during the reporting period, you are not required to file the following primary election disclosure statements:

- ◆ Disclosure Statement #8 (32 day pre-election).
- ◆ Disclosure Statement #9 (11 day pre-election).
- ◆ Daily pre-election disclosure statements during the two weeks before the primary election.

Candidates Who Are Not in the General Election

If you are not on the ballot for the general election and you have not made a contribution to another candidate during the reporting period, you are not required to file the following general election disclosure statements:

- ◆ Disclosure Statement #12 (32 day pre-election).
- ◆ Disclosure Statement #13 (11 day pre-election).
- ◆ Daily pre-election disclosure statements during the two weeks before the general election.
- ◆ Disclosure Statement #14 (27 day post-election).

Daily Pre-Election Disclosure

During the two weeks before either a primary, general, or special election, you must disclose aggregate contributions or loans over \$1,000 from any single contributor or lender and aggregate expenditures to any single vendor over \$20,000 (whether paid or incurred) within 24 hours of the transaction(s) occurring using the **Daily Pre-Election Disclosure Statement** filing option in C-SMART. Keep in mind that contributions include monetary or in-kind contributions, as well as forgiven bills, advances, or loans.

Ongoing Periodic Disclosure

Beginning in January of the year following the election, you must submit periodic disclosure every January and July 15th until your campaign has satisfied all outstanding liabilities and appropriately disposed of all assets, and closed out your committee with the CFB.



CONTACT US

Before you skip any filing, contact your Candidate Services liaison.



C-SMART

During the two weeks before the election, enter contributions and loans as they are received and expenditures as they are incurred and paid. C-SMART will alert you if a transaction needs to be reported in a daily pre-election disclosure statement. See [C-SMART Help](#) for specific instructions.

Example: Contributions

(Based on current program contribution limits. See [page 10](#) for old program limits.)

Barbara Wong for Mayor receives a \$250 contribution eight days before the primary election, a \$1,000 contribution from the same contributor five days before the election, and an additional \$100 contribution from the same contributor two days before the election. In this case, C-SMART will alert the campaign to submit a daily pre-election disclosure statement to the CFB at the time of the second and third contributions. Note: The same would be true if the second or third contribution had been a loan instead because contributions and loans from a single source are aggregated for this requirement.

Example: Expenditures

Sophia for Council contracts with ABC Printing for \$10,000 of literature during the two weeks before the primary election. Three days later (but still before the election), the campaign contracts with ABC Printing for another \$15,000 of literature. Since the total amount of expenditures the campaign contracted with ABC Printing during the two-week period before the election is now greater than \$20,000, C-SMART alerts the campaign that it must submit a daily pre-election disclosure statement to the CFB no later than 24 hours after the second expenditure.

What If I Have No Financial Activity in a Reporting Period?

Even if you have no financial activity in a given reporting period, you still must submit a disclosure statement to the CFB. For candidates who have previously submitted an itemized disclosure statement using C-SMART, you must continue to use C-SMART to file all subsequent disclosure statements to the CFB.

What If I Terminate My Candidacy?

Once you have terminated your candidacy (or your candidacy has been terminated by the CFB), you are still bound by all requirements of the Act and CFB Rules. You must continue to file until your campaign has satisfied all outstanding liabilities, appropriately disposed of all assets, and you have closed out your committee with the CFB. See [Chapter 1](#) for information on terminated candidacies and closing your committee.

How Do I Stop Filing?

You may close out your committee and stop filing disclosure with the CFB by filing a final disclosure statement (“Final Statement”) demonstrating that your campaign has appropriately disposed of all assets and satisfied all outstanding liabilities by submitting:

- ❖ complete copies of bank account statements showing a \$0 balance in all committee accounts, with proof that the account was closed;
- ❖ a written explanation of any discrepancy between the balance reported by the campaign and the balance reflected in the bank statements; and,
- ❖ proof of payment in full or forgiveness of all liabilities, including penalties or public funds owed to the CFB. For liabilities owed to prohibited sources, the campaign can submit proof that it paid the liability amount plus the amount of any CFB-assessed penalty to the New York City Election Campaign Finance Fund.

How Can I Avoid Disclosure Filing Problems?

- ❖ Review the Filing Day Checklist included in the [Guide to Filing Day](#) to ensure that your filing is complete.
- ❖ Submit disclosure statements early in the four-day window, to give yourself time to correct any problems that may come up before the statement due date.
- ❖ Make sure to follow all the instructions in the [C-SMART Help](#) to submit documentation electronically.

Pre-Election Audit Reviews

Pre-election audit reviews are done after each disclosure statement you file to identify potential compliance issues and invalid matching claims.

The Basics

- ◆ Statement reviews are sent to your campaign after each disclosure statement and are opportunities to correct compliance issues, reporting discrepancies, and invalid matching claims that can affect your campaign's compliance and potential public funds payments.
- ◆ Doing business notifications are sent after a disclosure statement if your campaign has accepted contributions from individuals in the [Doing Business Database](#) who have exceeded the doing business contribution limits.
- ◆ You must provide a response to your statement review and doing business notification by the deadline stated on the cover letter.
- ◆ See more detailed information on [CFB Submission](#), [Upload Contribution Documentation](#), [Upload Bank Records](#), [Reports](#), and [Letters](#) in [C-SMART Help](#).

What is a Statement Review?

After submitting a disclosure statement, the CFB will issue a preliminary review of the campaign's disclosure with a **statement review**. The review details findings of non-compliance based on the most recent disclosure statement and may also include unresolved issues from past disclosure statements. If you have claimed contributions for match, the review also provides a list of matching claims preliminarily deemed invalid based on reporting and/or documentation.

When a statement review is posted to your campaign's [C-Access](#) account, the candidate and treasurer will receive an e-mail from caccess-noreply@nyccfb.info indicating that a statement review is available.

All statement reviews begin with a cover letter, which describes the overall purpose and contents of the statement review, as well as a checklist and verification statement page. You will need to use the checklist to indicate the C-SMART amendments submitted to modify your campaign's disclosure as well as which reports you have addressed in your response.



C-SMART

Many of the issues that the CFB cites during the statement review process can be avoided by careful data entry into C-SMART.

Your C-SMART activity should accurately reflect real-time activity in your campaign's bank account, in addition to other financial activity that does not affect your bank account, such as in-kind contributions. C-SMART will alert you when you attempt to save an over-the-limit contribution, a contribution from a prohibited source, and other transactions that could lead to compliance issues or affect public funds eligibility. These alerts do not replace your own careful review of your campaign's financial activity but are a tool in helping you stay in compliance.

Reports

During the election cycle, your campaign will receive reports citing specific compliance issues depending on your disclosure statements and whether you are a Program participant. Some of the most common reports are:

Invalid Matching Claims (IMC) Report

All contributions claimed for match must be documented and reported properly in order to be eligible for match (see [Chapter 4](#)). The Invalid Matching Claims (IMC) report contains a list of contributions preliminary deemed invalid for match. Each transaction that appears in the report includes one or more invalid codes indicating why the contribution may not be valid. To make a contribution eligible for match, you must address every invalid code for that contribution.

Use the [Invalid Matching Claims \(IMC\) Codes](#) guidance document to find explanations of the invalid codes and instructions on how to resolve the issues identified.

For each transaction listed in the report, you must:

- ❖ Check the box(es) that describes what action(s) was taken to resolve the code.
- ❖ Provide an explanation in the “Other Response/Explanation” field if you are disputing a code or need to provide further information.
- ❖ Submit amendment(s) in C-SMART if you modified a transaction or withdrew a matching claim.

You are encouraged to respond to all invalid codes by the statement review deadline. Unresolved invalid claims are not subject to violation or penalty (unless they also appear in a report that requires immediate action, such as the Prohibited Contributions report). Any unresolved invalid claims will appear again in the next statement review. The Response Inadequate box will be checked in cases where a response has been submitted but more information or documentation is needed.



REMINDER

To respond to some findings, you may have to modify transactions in C-SMART and submit amendments to your previously filed disclosure statement(s). Do not submit these amendments until you have made all the required changes in C-SMART.

Prohibited Contributions and Aggregate Contributions Over-the-Limit Reports

Contributions from corporations, limited liability companies (LLCs), limited liability partnerships (LLPs), partnerships, and unregistered political committees are prohibited and must be returned (see [page 9](#)). Your campaign will receive a Prohibited Contributions report if your campaign accepted a prohibited contribution and did not issue a refund or issued a refund but did not report and document it.

If the total amount of contributions you accepted from a single individual or entity exceeds the contribution limit for your office sought, you will receive an Aggregate Contributions Over-the-Limit report listing the amount over-the-limit. Your contribution limit review will be based on the contribution limit for the office sought (see [page 10](#)).

Please note that if you accepted contributions for the limit of a higher office (e.g., citywide or borough president) and then run for lower office (e.g., City Council), you will need to refund the overage for each over-the-limit contribution at the time you declare which office you are seeking.

Accepting prohibited or over-the-limit contributions is subject to violation and/or penalty. Responses to either or both reports must be submitted by the statement review response deadline.

- ❖ Refund the prohibited contribution and/or over-the-limit contribution using an ACH transfer, or bank or certified check drawn from your committee's bank account.
- ❖ Enter the refund in C-SMART.
- ❖ Make a copy of the ACH confirmation document, bank or certified check and write the transaction ID of the refund on the documentation.
- ❖ Upload a copy of the ACH confirmation document or refund check to C-SMART and submit it to the CFB as part of your response.

If you refund the contribution using a committee check, the date the funds clear the committee account will be considered the refund date. If the refund date is after the response deadline, you may be subject to penalty. If you dispute a prohibited or over-the-limit contribution, write a detailed explanation directly on the report and provide documentation supporting your claim.



C-SMART

Refund transactions entered in C-SMART will appear in your campaign's next disclosure statement.



COMPLIANCE ALERT

Participants will not be eligible to receive public funds until all prohibited or over-the-limit contributions have been refunded.

Example

Sophia for Council discloses a \$500 contribution as being from an individual, Manuel Rodriguez. The campaign fails to notice that the contribution check says "Manny's Auto Shop," which is the account for Manuel's incorporated business. During the statement review, the CFB flags this contribution as prohibited on the Prohibited Contributions Report. Because the funds were drawn on a corporate account, this finding cannot be successfully disputed.

Sophia for Council refunds the contribution promptly, enters the refund in C-SMART, and notes this on the report, which it returns as part of its Statement Review response along with a copy of the refund check.

Example

(Based on current program contribution limits. See [page 10](#) for old program limits.)

Sophia for Council reports a \$1,000 contribution from Mike Johnson in Queens and a \$250 contribution from Michael Johnson in Queens. Both contributions come from the same zip code but the second one is missing the street address. Based on the similarity of the names and addresses, these two contributions are aggregated by the CFB as being from the same contributor, and the Aggregate Contributions Over the Limit report indicates that the second contribution puts this contributor \$250 over the contribution limit, which must be refunded.

Sophia for Council successfully disputes this finding by:

- obtaining a letter from Michael Johnson showing his street address is different from Mike Johnson's and affirming that he is not Mike Johnson.
- updating C-SMART with the complete address and submitting an amendment.
- including a copy of Michael Johnson's letter with the campaign's Statement Review response.

Financial Disclosure Reporting Discrepancies

Campaigns are required to submit records for any bank(s) and merchant account(s) it used for the election. The CFB will perform a reconciliation of your campaign's reported transactions with the transactions appearing on your bank records to ensure that all financial activity has been accurately disclosed. There are seven possible exhibits that can appear in this report:

- ❖ A **Missing Statements** and/or **Missing Deposit Slips** exhibit(s) is sent if bank records are missing or incomplete.
- ❖ An **Unreported Transactions** exhibit will list transactions appearing in submitted bank records, but not in your submitted disclosure statement.
- ❖ An **Uncleared Transactions** exhibit includes transactions reported in the campaign's disclosure statements that do not appear on your bank records.
- ❖ Your campaign will receive a **Misreported Transactions** and/or **Duplicated Transactions** exhibit(s) if the campaign inaccurately reported transactions.

Candidate Threshold Status Report

The Candidate Threshold Status report shows your campaign's audited progress toward reaching the two-part threshold requirement for receiving public funds (see [page 74](#)). The report includes your campaign's threshold number and dollar amount, which reflects your campaign's valid matchable contributions based on the CFB staff's review of your most recent disclosure. Matching claims are reviewed with each disclosure statement submission and are subject to ongoing audit by the CFB. This report is for informational purposes only, and does not require a response.

What Should I Include in My Statement Review Response?

A complete response to your statement review consists of the following:

- ❖ A signed Statement Review Checklist and Verification Statement page indicating which requests you are providing a response for and listing amendments submitted.
- ❖ Each report included in your statement review with written explanations and descriptions of the action taken to respond.
- ❖ Supporting documentation, including copies of contribution cards or checks, refund checks, intermediary statements, uploaded to C-SMART.
- ❖ Amendments to your disclosure statement(s) submitted through C-SMART, after you have made all the required changes to your data entry and uploaded all required documentation.

Your completed response must be submitted electronically. Please refer to the statement review and contact your Candidate Services liaison for more guidance on how to submit your response.

What is a Doing Business Notification?

Individuals who are doing business with the city have lower contribution limits, and contributions they make or intermediate cannot be matched with public funds (see [page 10](#)). These individuals and their associated entities are listed in the [Doing Business Database \(DBDB\)](#). After you file a disclosure statement, the CFB reviews your campaign's contributions to ensure compliance with the doing business law, and will issue a doing business notification if you have contributions from individuals or entities listed in the Doing Business Database that exceed the doing business contribution limit. This notification is issued within 20 calendar days of your disclosure statement filing and is posted to your [C-Access](#) account. You have 20 calendar days to respond to the notification. If you fail to issue a refund, the CFB may deduct the excess contributions from future public funds payments and may assess penalties to your campaign.

EXCEPTION: During the six-week period before the primary or general election, the CFB has four business days after a disclosure statement filing to notify your campaign of any contributions over the doing business limit. Your campaign will have 20 days to respond.

If you receive a doing business notification, you must:

- ❖ Refund the over-the-limit portion of the contribution using an ACH transfer, or a bank or certified check.
- ❖ Enter the refund in C-SMART.
- ❖ Make a copy of the ACH confirmation document, or refund check, and write the transaction ID for the refund.
- ❖ Upload a copy of the ACH confirmation document or the refund check to C-SMART and submit it to the CFB along with your response. Any additional supporting information should be sent to CFBDoingBusiness@nyccfb.info.

You cannot refund an over-the-limit doing business contribution with a committee check. If you do not believe a contributor listed in your doing business notification should be subject to the doing business limit, either because they are not the individual listed in the DBDB or because the individual should not be listed in the Doing Business Database, you should provide a written explanation of why you are contesting the finding.

- ❖ If the contributor is not the individual listed in the Database, provide a written statement from the contributor stating that they are not associated with the doing business entity.
- ❖ If the contributor is the individual listed in the Database and they think they are listed in error, the contributor can apply to the Mayor's Office of Contract Services for removal. Please note that removals from the Database can take more than 20 days, so you should issue a refund, even if the name is listed in error, to avoid a violation.

Any explanation should be provided early enough so that if it is not accepted you can still meet the refund deadline. If the contributor in dispute does turn out to be doing business with the city and the contribution was not refunded by the deadline, a penalty may be assessed.

You can submit your response via e-mail to CFBDoingBusiness@nyccfb.info. If you have uploaded refund documentation to C-SMART, be sure to submit it to the CFB through C-SMART, along with any written explanations submitted by email or in person.



COMPLIANCE ALERT

Accepting a contribution over the doing business limit is not a violation as long as the over-the-limit portion is refunded by the deadline date on the notification. No extensions are ranted.



REMINDER

Contributors can apply for removal from the DBDB by contacting the Doing Business Accountability Project of the Mayor's Office of Contract Services at (212) 788-8104 or DoingBusiness@mocs.nyc.gov.

Public Funds

This chapter covers what you need to know about the requirements during the election year and how to qualify for public funds.

The Basics

- ◆ The first public funds payment will be December 15, 2020.
- ◆ Disclosure statements are due more frequently in the election year.
- ◆ Attend mandatory Compliance and C-SMART trainings.
- ◆ Monitor your budget and spending to avoid exceeding the primary and/or general election spending limits.
- ◆ Organize all records so you are ready for documentation requests.
- ◆ Check [C-Access](#) frequently for important notices.

On November 6, 2018, New York City voters approved a ballot referendum that amended the New York City Charter related to the Campaign Finance Program. These changes:

- ◆ Increased the matching rate on contributions from New York City residents;
- ◆ Increased the maximum amount per contributor eligible for matching payments for citywide offices;
- ◆ Increased the amount of public funds candidates could receive per election to 75% of the expenditure limit;
- ◆ Reduced the contribution limits; and
- ◆ Made public funds available as early as the December before the election year.

The Charter amendments made most of these changes effective beginning with the 2021 primary for candidates who chose to opt into the new program and for all candidates in elections held after the general election in 2021.

Subsequently, the City Council passed Local Law 1 of 2019 (January 2, 2019), which made the new program available to candidates in elections prior to the 2021 primary who chose to opt into the new program and Local Law 128 of 2019 (July 18, 2019), which repealed the Charter changes and moved many of them into the Campaign Finance Act.

Local Law 128 retained the reduced contribution limits, increased matching rate, and increased amount available for match for city-wide candidates, while also increasing the amount of public funds candidates can receive per election, increasing the number of pre-election public funds payments, allowing public funds to be used as early as the December before a primary, as well as adjusting filing deadlines, among other changes. The Law also clarified that the new program would apply to all candidates in elections held on or after January 1, 2022.

When Do Campaigns Receive Public Funds?

There are two types of public funds payments. Early public funds payments are when public funds are distributed before the ballot is set in the election year. There are five scheduled early public funds payments.

- ❖ December 15, 2020
- ❖ January 15, 2021
- ❖ February 15, 2021
- ❖ March 15, 2021
- ❖ April 15, 2021

Following the early payments are eight post-ballot payments. Three payments are based off of the primary election ballot. The first occurs in mid-May of the election year; the remaining two happen four business days after Disclosure Statement #8 and Disclosure Statement #9. See the [Public Funds](#) guidance document for more information on the timing of public funds payments.

The first payment based off of the general election ballot is in mid-July of the election year. The remainder happen in early August and four business days after Disclosure Statement #12, #13 and #14. If you are only in the general election but would like to qualify for the first general election public funds payment, you must submit Disclosure Statement #10.

The full payment calendar can be found [here](#).

How Do I Become Eligible for Public Funds?

Candidates for New York City office who join the Program and meet the requirements can qualify to receive public funds at a rate of \$8 in public funds for every matchable dollar raised.

Requirements:

- ❖ Be in compliance with the Act and Rules, including the filing of all disclosure statements on time.
- ❖ Attend a Compliance and C-SMART training.
- ❖ Meet a two-part **threshold**.
- ❖ Be on the ballot and be opposed by another candidate on the ballot (for pre-ballot payment, you are considered opposed if at least one other candidate has registered to run with the CFB for the same seat.).
- ❖ File personal financial disclosure with the [New York City Conflicts of Interest Board \(COIB\)](#).
- ❖ Repay any public funds and/or penalties owed to the CFB from a previous election (if applicable).
- ❖ For pre-ballot payments, submit a Statement of Need unless you are running for an open seat (no incumbent is running for re-election) or your opponent has received public funds.



COMPLIANCE ALERT

In order to receive a public funds payment within a four-day turnaround period, your disclosure statement and backup documentation must be filed with the CFB and accepted by close of business on the statement's due date (see [Chapter 4](#) to review the procedures for filing a disclosure statement).

Receive your public funds via direct deposit. Attach a voided committee check to your Certification where indicated.

You will not be eligible to receive public funds if any of the following occurs:

- ❖ You do not meet all of the requirements above.
- ❖ You endorse or publicly support your opponent.
- ❖ The documentation submitted to support your matching claims contains a substantial percentage of documentation errors (i.e. invalid matching codes).
- ❖ You fail to disclose employment information for a substantial percentage of your contributors.
- ❖ There is a substantial difference between your reported financial activity and the activity found on the bank statements provided.
- ❖ You have committed fraud or material misrepresentation, been found in breach of certification, or engaged in conduct detrimental to the Program that is in violation of any other applicable law at any time in the course of that candidate's Program participation, which may include previous election cycles.
- ❖ Your campaign has not repaid any public funds and/or penalties owed to the CFB from a previous election.

Learn more about criteria to be eligible to for public funds in the [Public Funds](#) guidance document.

Be in Compliance

You must be in compliance with the Act and Rules throughout the election cycle.

To ensure your campaign is in full compliance, you must:

- ❖ File complete and timely disclosure statements and provide all required bank records covering the disclosure period with each filing.
- ❖ Actively screen for over-the-limit and prohibited contributions before entering them in C-SMART and before depositing them into your committee's bank account.
- ❖ Promptly return any mistakenly accepted over-the-limit and prohibited contributions to the contributor using a bank or certified check.
- ❖ Carefully budget and actively monitor spending to ensure your campaign makes only campaign-related expenditures and stays within the spending limits.
- ❖ Fully report all transactions.
- ❖ Check [C-Access](#) frequently to review and respond to notices.
- ❖ Submit documentation to the CFB upon request.
- ❖ Have the candidate, treasurer, or campaign manager attend a Compliance and C-SMART training.



CONTACT US

If you owe penalties or have a public funds repayment obligation from a previous election, contact the CFB Legal Unit at (212) 409-1800 and speak with a staff attorney.

Meet Threshold

In order to qualify for public funds, your campaign must demonstrate it has at least a minimal level of financial support from your community. This is accomplished by meeting a two-part **threshold**:

- ❖ **Dollar Amount:** Collect the required amount of money in valid matchable contributions from individual New York City residents. Only the first \$250 for mayor, public advocate, and comptroller, and the first \$175 for borough president and City Council of an individual’s total monetary contribution(s) counts toward threshold.
- ❖ **Number of Contributors:** Collect the required number of matchable contributions of \$10 or more from individuals who reside in the area you seek to represent. (You can accept contributions from outside this area, but they will not count toward this part of the threshold.)

THRESHOLD REQUIREMENTS

OFFICE	DOLLAR AMOUNT	NUMBER OF CONTRIBUTORS (\$10 or more)
Mayor	\$ 250,000	1,000 New York City residents
Public Advocate & Comptroller	\$ 125,000	500 New York City residents
Borough President*		
Bronx	\$ 27,702	100 Bronx residents
Brooklyn	\$ 50,094	100 Brooklyn residents
Manhattan	\$ 31,717	100 Manhattan residents
Queens	\$ 44,614	100 Queens residents
Staten Island	\$ 10,000	100 Staten Island residents
City Council	\$ 5,000	75 Council district residents

* The dollar amount threshold for borough president candidates is based on the population of the borough.

Matchable contributions are monetary contributions from individual New York City residents. Once your campaign meets the two-part threshold, you can receive \$8 in public funds for every matchable dollar raised up to \$250 per contributor for mayor, public advocate, and comptroller, and \$175 for borough president and City Council resulting in \$2,000 or \$1,400, respectively, in matching funds per contributor. See [page 10](#) for the Old Program — Option B maximum matching amount at the \$6-to-\$1 rate.

For money order contributions, only the first \$100 will be eligible for match, although you can receive money order contributions up to the contribution limit.



REMINDER

Contributions you want to claim for match must be reported in the same reporting period in which they were received. You must also submit backup documentation for each of these contributions (see [page 58](#)).

Cash contributions are matchable, but are limited to \$100 per contributor.

Non-matchable contributions include:

- ❖ Contributions from non-New York City residents.
- ❖ Contributions from or intermediated by individuals doing business with the city.
- ❖ Contributions from one-time employees or vendors of your campaign.
- ❖ Contributions from minors (individuals under 18).
- ❖ Contributions from entities such as registered political committees, unions, and sole proprietorships.
- ❖ Contributions from the spouses, domestic partners, unemancipated children, and employees of registered lobbyists.
- ❖ Contributions received after December 31 of the election year.
- ❖ In-kind contributions.
- ❖ Contributions in the form of a purchase price paid for an item with significant intrinsic and enduring value (i.e., such as a good or service provided by the campaign).
- ❖ Contributions in the form of a purchase price paid for or otherwise induced by a chance to participate in a raffle, lottery or similar drawing for valuable prizes.
- ❖ Contributions not reported timely in the disclosure statement in which they were received.

If a contributor is essentially getting back his or her money in the form of a valuable good, service, or opportunity to win such a good or service, the contribution cannot be matched with public funds.

The following goods and services that are frequently offered by campaigns to would-be contributors in the normal context of the campaign are not considered valuable and do not prevent a contribution from being matchable:

- ❖ Limited food and beverages.
- ❖ Limited musical or other entertainment.
- ❖ Campaign literature.



COMPLIANCE ALERT

Contributions from individual New York City residents that are claimed for match may be deemed invalid if they are not properly reported, documented, or are not otherwise in compliance with the Act or Board Rules.



COMPLIANCE ALERT

Paying contributors to work on your campaign makes their contributions invalid for match. This can result in your campaign losing threshold status and being required to repay all public funds received.



C-SMART

City Council candidates: C-SMART verifies in-district contributors to help track your progress toward meeting threshold.



CONTACT US

Call Candidate Services before holding a fundraising event that might raise concerns about whether contributions received at the event will be considered matchable.



REMINDER

You will receive a Threshold Report and an Invalid Matching Claims Report in your statement review (see [Chapter 5](#)).

Example

(Based on current program contribution limits. See [page 10](#) for old program limits.)

Consider the chart below illustrating Sophia for Council's progress toward meeting threshold. Sophia Rosario is running for City Council, so she must collect at least 75 matchable contributions of \$10 or more from individuals living within her district. She must also raise at least \$5,000 in matchable contributions, which can come from any New York City resident (not just residents of her district). These contributions must be documented and reported properly to the CFB to count toward threshold.

Type Of Contributor	Contribution Type	Contribution Amount	Matchable?	THRESHOLD	
				Part 1: Matchable Dollar Amount	Part 2: In-District Contributor?
NYC Resident—In District	Check	\$1,000	Y	\$175	Y
NYC Resident—Out of District	Money Order	\$100	Y	\$100	N
Registered PAC	Check	\$1,000	N	\$0	N
Long Island Resident	Cash	\$100	N	\$0	N
NYC Resident—Doing Business	Credit Card	\$250	N	\$0	N
NYC Resident—In District	Check	\$1,000	Y	\$175	Y
NYC Resident—In District	Cash	\$50	Y	\$50	Y
NYC Resident—In District	Cash	\$5	Y	\$5	N
NYC Resident—Individual vendor to the campaign	Check	\$500	N	\$0	N
NYC Resident—Out of District	Check	\$1,000	Y	\$175	N
Totals		\$5,005		\$680	3

So far, Sophia for Council has raised a total of \$5005. However, only \$680 counts toward the dollar amount threshold requirement because only valid matching claims up to \$175 per contributor count toward the threshold, not the campaign's total contributions received. Therefore, Sophia for Council is \$4,320 short of the \$5,000 minimum.

In addition, only four of her contributors live in her district and one of them only contributed just \$5, which means she only has three in-district contributions that count toward the 75 district residents required to meet threshold.

Sophia will need to receive more matchable contributions, especially from residents within her district, in order to qualify for public funds.

- ❖ Campaign buttons.
- ❖ Campaign t-shirts.
- ❖ Other campaign paraphernalia.

The total amount of matchable contributions you must raise and the number of contributions you must collect to meet threshold vary by office. Strive to exceed the minimum because some matching claims may be invalidated.

Compliance Visits

The CFB may conduct a compliance visit in addition to reviewing your campaign’s disclosure statements and sending notices via C-Access. A **compliance visit** is an on-site review of your documents, recordkeeping, and procedures. It is an opportunity for you to have a one-on-one conversation with your auditor about any questions and concerns you may have about compliance.

Compliance visits usually occur prior to the payment of public funds. You will receive a notice to schedule a date and time for the visit and how to prepare for it.

In general, you need to demonstrate that your campaign has adequate financial controls in place. The candidate, treasurer and/or campaign manager should be prepared to explain the nature of these controls during the visit.

Check [C-Access](#) frequently after your compliance visit because the CFB may have questions and findings. Some findings or violations could prevent a public funds payment and/or require an immediate response by the due date indicated in the letter.

Submit a Certification

In order to join the Program for the 2021 citywide elections, you must file a [Certification](#) by April 26, 2021 (the ninth Monday before the primary election). By submitting this form, you become a Program participant and agree to abide by the Program’s rules and requirements. If you wish to receive public funds before April 26, 2021, you must register as a participant at least 15 business days before the scheduled public funds payment date.

Participating candidates accept responsibility for financial control over their campaigns. Both the candidate and the treasurer agree, among other things, to:

- ❖ Read, understand, and follow the requirements of the Act and Board Rules.
- ❖ Authorize only one committee designated on the Certification for the covered election.
- ❖ Accept legal notices to the home addresses listed on the Certification and promptly notify the CFB of any changes to the contact information by amending the Certification.



REMINDER

Both the candidate and treasurer are subject to the requirements of the Act and Board Rules. They may be held jointly and severally liable for any penalties assessed against the campaign.



COMPLIANCE ALERT

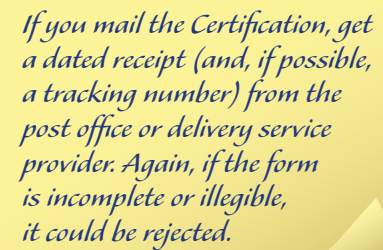
If you submit your Certification after the legally mandated deadline or it is considered incomplete or illegible, you will not be a participant in the Program and you will not be eligible to receive public funds.

If you registered with the CFB by submitting a Filer Registration, you must still submit a Certification to join the Program.

When completing the Certification, remember:

- ❖ The Certification must have the original, notarized signatures of both the candidate and treasurer, who must also initial each verification.
- ❖ It must be complete and legible, otherwise it will not be accepted by the CFB. The Certification is available as a fillable form on the CFB's website, so you can fill it out and save it on your computer.
- ❖ You need to provide the names and contact information of any individuals working on your campaign who may contact the CFB with questions. For your protection, CFB staff will only respond to inquiries about your campaign from persons listed on your Certification.
- ❖ You must submit the form to the CFB by mail or hand delivery.

We recommend you hand deliver your Certification to the CFB. Your Candidate Services liaison will review it to make sure it is complete and give you a delivery receipt. If you mail the Certification, it must be postmarked on or before the deadline date. Keep a copy of your completed Certification for your records.



If you mail the Certification, get a dated receipt (and, if possible, a tracking number) from the post office or delivery service provider. Again, if the form is incomplete or illegible, it could be rejected.

Make the Ballot

Candidates must be opposed by another candidate registered with the CFB for the same seat to be eligible for early (pre-ballot) public funds. In order to receive primary or general election public funds payments, a candidate must be on the primary and/or general election ballot and opposed by a candidate on the ballot. If you receive early public funds, you may be required to pay them back to the public fund if:

- ❖ You do not file designating or independent nominating petitions.
- ❖ You file designating or independent nominating petitions but fail to get on the ballot.
- ❖ The City BOE disqualifies you from the ballot.

If the City BOE disqualifies all of your opponents from the ballot, you will not receive future public funds payments. You must notify the CFB in writing if any of your opponents' disqualifications were reversed on appeal and your campaign seeks public funds.

Write-in candidates (whose names do not appear on the ballot but for whom voters can vote by writing in their name on the ballot) are not eligible to receive public funds, nor can a candidate on the ballot receive public funds if his or her only opposition are write-in candidates.

COIB Compliance

All candidates must submit personal financial disclosure to the [New York City Conflicts of Interest Board](#) (COIB). The purpose of the financial disclosure law is to provide accountability on the part of public servants, and to help ensure there are no conflicts between a public servant’s official and private interests. In order to be eligible for a December 2020 or January 2021 pre-ballot public funds payment, you must file a partial-year disclosure report with the COIB by November 1, 2020. To avoid repayment obligation for those early public funds and/or to be eligible for the remaining public funds payments in the election year, you must file the full-year personal financial disclosure report by January 30, 2021 (or January 21, 2021 if you wish to receive the February 2021 public funds payment). The final deadline to file the full-year financial report with the COIB is 25 days after the deadline for filing designating petitions for the primary election and 25 days after the deadline for filing independent nominating petitions for the general election, but earlier deadlines apply to receive pre-ballot public funds (see the [Public Funds](#) guidance document).

Candidates who do not file the full report are not eligible to receive additional public funds and will be liable for the repayment of any public funds received. For questions about the financial disclosure report, contact the COIB at (212) 442-1400 or visit their [website](#).

How Much Public Funds Are Campaigns Eligible to Receive?

MAXIMUM PUBLIC FUNDS PAYMENTS (PER ELECTION—PRIMARY AND/OR GENERAL)

CURRENT PROGRAM (OPTION A)			
MAYOR	PUBLIC ADVOCATE AND COMPTROLLER	BOROUGH PRESIDENT	CITY COUNCIL
\$6,476,444	\$4,048,888	\$1,457,777	\$168,888

OLD PROGRAM (OPTION B)			
MAYOR	PUBLIC ADVOCATE AND COMPTROLLER	BOROUGH PRESIDENT	CITY COUNCIL
\$4,007,300	\$2,505,250	\$902,000	\$104,500

If you are not running in a primary for an open seat (an office for which no incumbent is seeking reelection) or special election, your campaign must submit a [Certified Statement of Need](#) to receive the maximum amount of public funds based on your valid matching claims.

If a candidate submits a Certified Statement of Need and receives a public funds payment, their opposing candidates no longer need to file a Statement of Need to receive an uncapped public funds payment.

- ❖ **Early Payments:** A Certified Statement of Need must be submitted to the CFB at least 15 business days before the applicable payment date to receive any public funds. Once the form is accepted, the campaign does not need to submit a new form to receive further payments unless the opponent(s) listed on the form is (are) no longer running and no other opponents in the race have received public funds.
- ❖ **Primary Payments:** Your total post-ballot primary payments will be capped at 25% of the maximum amount of public funds for the office sought until you submit a Certified Statement of Need by the filing deadline for the disclosure statement preceding the payment, unless you are running for an open seat, or you or a primary opponent has received public funds.
- ❖ **General Election Payments:** If your campaign did not submit a Certified Statement of Need for an early payment, your general election payment will be capped at 25% of the maximum amount of public funds for the office sought until you submit a Certified Statement of Need by the filing deadline for the disclosure statement preceding the payment unless you are facing an opponent who has already received public funds for the general election.



COMPLIANCE ALERT

After receiving public funds, you may not return or refund a contribution, unless directed by the CFB to do so, unless the contribution exceeds the contribution limit, is otherwise illegal, or is returned because of the particular source involved.

Public Funds Withholding

The CFB will withhold:

- ❖ The over-the-limit portion of any contribution and the amount of any prohibited contribution.
- ❖ 5% of your eligible public funds payment until the last pre-election public funds payment date.
- ❖ The over-the-limit portion of any doing business contribution not refunded within 20 days of your doing business notification. The withholding is removed by refunding the over-the-limit portion and documenting it to the CFB. It will still be considered a violation subject to penalty because you did not refund it by the deadline date in your doing business notification.



REMINDER

Send the CFB a letter if you wish to decline public funds.



COMPLIANCE ALERT

Public funds are not guaranteed.

Suspension of Public Funds Payments

Certain violations may result in the suspension of public funds payments. Such violations include, but are not limited to:

- ❖ Failing to file a complete and timely disclosure statement.
- ❖ Exceeding the contribution or expenditure limits.
- ❖ Submission of fraudulent backup documentation or matching claims.
- ❖ See [page 73](#) for more information on ineligibility for public funds.

Deductions from Payments

The total amount of public funds payable to your campaign will be reduced by the total dollar amount of the following:

- ❖ Contributions to political committees, unless the total amount of such contributions does not exceed:
 - \$10,000 if running for mayor, public advocate, comptroller.
 - \$5,000 if running for borough president.
 - \$3,000 if running for City Council.
- ❖ Transfers or expenditures by your current committee to another committee controlled by the candidate that is not involved in the current election.
- ❖ Expenditures by your committee to pay expenses for or debt stemming from a previous election, including payments of penalties and public funds repayments.
- ❖ Outstanding civil penalties assessed by the CFB as a result of your campaign's failure to comply with the Act and Rules during the current election.
- ❖ Expenditures made for the purpose of furthering your election to the position of speaker of the City Council.
- ❖ Loans to, or spending for, other candidates or political clubs that are not reimbursed within 30 days (or by the date of the election, whichever is earlier), unless you can show the expenditure was made to a political party or political club (not another candidate) for a tangible item (such as the purchase of an advertisement in a fundraising journal) that directly promotes your candidacy.
- ❖ Independent expenditures, unless the total amount of such expenditures does not exceed the amounts above.

Your total public funds payment will be reduced by the dollar amount of total deductions. This means your campaign loses one dollar in public funds for every dollar deduction covered by [Rule 7-07\(a\)\(ii\)](#), and if your campaign would have otherwise received the maximum payment, you will receive less than the maximum based upon these deductions.

Example

Sophia for Council contributes \$5,000 to Eileen for Mayor, \$1,500 to Barbara Wong for Borough President, and \$1,000 to Marcus 2021. Since Sophia for Council is a City Council campaign and the \$4,500 exceeds the \$3,000 maximum for City Council campaigns, Sophia for Council's public funds will be reduced by \$1,500 (the amount of the overage).

How Do I Avoid Deductions From Public Funds Payments?

If you are a Program participant and intend to make expenditures subject to [Rule 7-07\(a\)\(ii\)](#), you can avoid a public funds deduction by opening and fundraising into a segregated bank account separate from your committee's regular bank account.

The segregated bank account is strictly used for depositing contributions accompanied by a [Contribution Card for Segregated Bank Account](#). When considering whether to open a segregated bank account, keep in mind the following:

- ❖ Contributions to the segregated bank account are not matched with public funds and they will not count towards threshold.
- ❖ The only expenditures you can make directly from the segregated bank account are bank fees for the account and expenditures subject to [Rule 7-07\(a\)\(ii\)](#) deductions from public funds payments. See [page 81](#) for more information on these expenditures.
- ❖ Other expenditures related to the segregated bank account, such as fundraising expenditures, must be paid from your current committee's regular bank account. They will count toward your spending limit and they are not qualified expenditures.
- ❖ Any funds remaining in a segregated bank account must be returned to contributors on or before December 31 of the year following the election year. If the funds cannot be returned to contributors for any reason, they must be returned via certified check payable to the "New York City Election Campaign Finance Fund".



COMPLIANCE ALERT

Do not deposit contributions for the segregated bank account into the bank account being used for your regular primary/general election, and do not deposit contributions for the regular primary/general bank account into the segregated bank account. If you do this, you will lose all the advantages of the segregated account.

Contact your Candidate Services liaison before opening a segregated bank account.

When you receive contributions intended for a segregated bank account, each contributor must complete and sign a [Contribution Card for Segregated Bank Account](#) for every contribution. This card contains all of the components of a regular contribution card (see [page 18](#)), except that the contributor must acknowledge that the contribution will be deposited into a segregated bank account and will not be matched with public funds. The affirmation statement above the contributor's signature must appear as follows:

I understand that this entire contribution will be used only (i) to pay expenses or debt from a previous election; (ii) by the candidate for an election other than the election for which this contribution is made; or (iii) to support candidates other than the candidate to whose campaign this contribution is made, political party committees, or political clubs. I further understand that this contribution will not be matched with public funds. I understand that State law requires that a contribution be in my name and be from my own funds. I hereby affirm that I was not, nor, to my knowledge, was anyone else, reimbursed in any manner for this contribution; that this contribution is not being made as a loan; and that this contribution is being made from my personal funds or my personal account, which has no corporate affiliation.

As with your campaign's regular bank account, you must obtain and keep all documentation for all transactions associated with your campaign's segregated bank account, including all contribution and expenditure documentation, deposit slips, and bank statements. Copies of contribution cards, checks, money orders, deposit slips, and statements for the segregated bank account must be submitted with each disclosure statement.

When entering transactions for the segregated bank account in C-SMART, designate each contribution or expenditure for the segregated bank account with the correct bank account. For more information on entering segregated bank account activity in C-SMART, review the applicable [C-SMART Help](#).

What is a Qualified Expenditure?

Expenditures that can be paid for using public funds are called **qualified expenditures**. Qualified expenditures may include, but are not limited to:

- ◆ Campaign office rent.
- ◆ Campaign literature.
- ◆ Television and radio advertisements.
- ◆ Fundraising.
- ◆ Print advertisements.
- ◆ Mailings.
- ◆ Developing and maintaining a campaign website.
- ◆ Staff salaries.
- ◆ Consultants.

Receiving public funds is an enormous responsibility; you must be diligent in your reporting and recordkeeping because you must account for how you spend every public dollar your campaign receives. Document your expenditures at the time each transaction occurs with detailed invoices, receipts, lease agreements, contracts, and time sheets, and enter them in C-SMART. If you do not document enough qualified expenditures, your campaign will be required to return the undocumented portion to the Public Fund. Under the new Program, the maximum amount of public funds you may be eligible for equals the vast majority of your spending limit. Because of this, you should make sure you only spend campaign funds on qualified expenditures and that these expenditures are thoroughly documented.

The CFB will determine which expenditures are qualified during your post-election audit based on the documentation you submit. With your campaign's post-election audit, you will have to:

- ◆ Demonstrate public funds were spent in accordance with the Act and Board Rules.
- ◆ Document qualified expenditures equal to or greater than the amount of public funds received.



REMINDER

Good recordkeeping is key to documenting your qualified expenditures. See [Chapter 3](#) for detailed expenditure recordkeeping requirements.

After the election, once you have paid all liabilities, if there is any money left in your bank account(s) and you received public funds, your bank balance is considered public money and must be returned to the CFB (up to the amount of public funds received). This is true even if your campaign documents qualified expenditures equal to or greater than the amount of public funds your campaign received.



COMPLIANCE ALERT

Qualified expenditures must be paid for using a committee check or debit card.

See the examples of sufficiently and insufficiently detailed invoices. The sufficiently detailed invoice clearly describes the goods purchased and gives the quantity, the rate, and the total amount. The insufficiently detailed invoice does not contain enough detail nor is it addressed to the committee.

SAMPLE OF A SUFFICIENTLY DETAILED INVOICE

 ABC printing, inc. 223 Astoria Blvd. Astoria, NY 11102			
Date: [xx-xx-xx]			
Bill to: Sophia for Council 78-42 Northern Blvd. Jackson Heights, NY 11372			
Quantity	Description	Rate	Amount
2,000	Invitations for Spring Fundraiser	\$2.00/piece	\$4,000.00
2,000	Envelopes for Invitations	\$0.03/piece	\$ 60.00
2,000	Postage for Invitations	\$0.45/piece	\$ 900.00
	Tax	8.875%	\$ 440.20
		Total:	\$5,400.20

SAMPLE OF AN INSUFFICIENTLY DETAILED INVOICE

 ABC printing, inc. 223 Astoria Blvd. Astoria, NY 11102	
Bill to: Sophia for Council 78-42 Northern Blvd. Jackson Heights, NY 11372	
Description	Amount
Invitations, envelopes, and postage for Spring Fundraiser	\$5,400.20

Expenditures that cannot be paid for using public funds , even if otherwise permissible, are considered **not qualified**. These include, but are not limited to:

- ❖ Expenditures made before December 15 in the year preceding the election year and post-election.
- ❖ Expenditures for any purpose other than the furtherance of the candidate’s nomination or election.
- ❖ Expenditures that are not properly reported at the time the expense is incurred or are not itemized in your disclosure statement.
- ❖ Expenditures that are not properly documented.
- ❖ Expenditures paid in cash.
- ❖ Payments to the candidate, family members, or a business entity in which the candidate or a family member has a 10% or greater ownership interest. Family members are: the candidate’s spouse, domestic partner, parent, child, grandparent, grandchild, brother or sister, or the spouse or domestic partner of such child, grandchild, parent, grandparent, brother or sister.
- ❖ Illegal or otherwise prohibited expenditures.
- ❖ Payments for goods or services that are never received (e.g., retainer agreements), or are above their fair market value.
- ❖ Expenditures made after any of the following: a BOE declaration that the candidate’s petitions are invalid, a candidate’s removal from the ballot, or the removal of all other opposing candidates from the ballot.
- ❖ Expenditures made primarily to advocate a vote for or against a ballot proposal, unless made also to further the participating candidate’s nomination for election.
- ❖ Payment of any penalty or fine imposed due to any violation(s) of local, state, or federal law.
- ❖ Expenditures to challenge the validity of designating or nominating petitions, or certificates of nomination, acceptance, authorization, declination, or substitution, and expenses for canvassing election results.
- ❖ Contributions, transfers, or loans to other candidates or committees.
- ❖ Gifts.
- ❖ Reimbursement(s) of an advance, except an advance of a single purchase over \$250.
Note: Advances where the underlying purchase was made in cash or by the candidate and/or his or her family members are never qualified.
- ❖ Expenditures to facilitate, support, or otherwise assist in the execution or performance of the duties of public office.
- ❖ Expenditures on childcare services.



REMINDER

Expenditures your campaign makes beginning December 15 of the calendar year preceding the election year may be qualified even if you do not receive any public funds until much closer to the election.

Example

Sophia for Council received \$45,000 in public funds, so her campaign must document at least \$45,000 in qualified expenditures. She submits expenditure documentation to the CFB as part of her post-election audit. After the CFB reviews the campaign's documentation, Sophia for Council receives the Expenditure Sample Report below, which lists election-year expenditures sorted by dollar amount—largest to smallest. The “Notes” column describes the results of the CFB's review. “Q” denotes qualified expenditures; the rest have a different code assigned to them indicating the reason why the transactions are not qualified. The code key at the end of the report explains the codes and how to make the expenditure qualified. Remember, some expenditure types are never qualified.

The \$8,500 expenditure to Campaign Strategy, LLC and the \$3,750 expenditure to SMJ Media Group are not qualified because the campaign did not submit the front and back of the canceled committee check.

The \$7,027.04 expenditure to New York Cable Network is not qualified because the campaign did not submit an invoice.

The \$6,500 expenditure to the Brooklyn Independent Gazette is not qualified because the campaign did not submit the back of the canceled committee check and the invoice is not detailed enough.

The \$55.00 expenditure to Brooklyn Bridge Dry Cleaners is not qualified because it is considered a non-campaign related expenditure, which can never be a qualified expenditure.

Therefore, Sophia for Council must repay \$11,650 to the Public Fund unless she submits the documentation required to make the correctable transactions qualified.

What Are Helpful Tips for the Election Year?

- ❖ Attend a [Compliance training and C-SMART training](#), even if you went to a training earlier in the election cycle.
- ❖ Take careful note of the disclosure statement deadlines.
- ❖ Respond timely to requests for documentation.
- ❖ Continue to stay in compliance with the CFB's rules and requirements, including maintaining contribution and expenditure documentation.
- ❖ Submit your backup documentation by 5:00 pm to ensure four-day turnaround payments.
- ❖ In order to be eligible for the first early public funds payments, you must meet threshold and all other criteria for public funds eligibility by Disclosure Statement #5.

Expenditure Sample Report

Candidate: Rosario, Sophia (ID: 5123)
Office: 5 (City Council)
Election: 2021

Sorted by Amount

Total Public Funds Received: \$45,000

Payee Name	Bill Trans ID	Comm ID /Stmnt/Sch/Ref	Purpose Cd	Invoice Date/ Paid Date	Check No	Bank Account	Liability	Amount	Notes
ABC Printing, Inc.	523	H 10/F/R0000524	LITER	07/16/2021 07/17/2021	1052	Bank of America, 23456178500	\$0.00 Running total:	\$16,750.00 \$16,750.00	Q
Turning Stone Strategies	484	H 9/F/R0000485	CONSL	06/21/2021 06/30/2021	922	Bank of America, 23456178500	\$0.00	\$15,000.00 \$31,750.00	Q
Campaign Strategy, LLC	701	H 13/F/R0000702	CONSL	09/25/2021 09/29/2021	1145	Bank of America, 23456178500	\$0.00	\$8,500.00 \$40,250.00	C
New York Cable Network	668	H 11/F/R0000669	TVADS	08/25/2021 08/25/2021	1131	Bank of America, 23456178500	\$0.00	\$7,027.04 \$47,277.04	I
Brooklyn Independent Gazette	797	H 15/F/R0000798	PRINT	10/20/2021 10/20/2021	1346	Bank of America, 23456178500	\$0.00	\$6,500.00 \$53,777.04	B, DI
SMJ Media Group	350	H 9/F/R0000355	TVADS	05/20/2021 05/25/2021	801	Bank of America, 23456178500	\$0.00	\$3,750.00 \$57,527.04	C
Ruiz, Timothy	1015	H 16/N/R0001015	WAGES	08/16/2021			\$1,600.00	\$1,600.00 \$59,127.04	Q
Brooklyn Bridge Dry Cleaners	15	H 6/F/R0000016	OTHER	01/02/2021 01/02/2021	Debit	Bank of America, 23456178500	\$0.00	\$55.00 \$59,182.04	NCR

Total Count: 8
Total Count with Q: 3

Total: \$59,182.04
Total with Q: \$33,350.00
Total Adjustments to Q: \$0.00

Total Q: \$33,350.00
Total Public Funds Received: (\$45,000)
Public Funds to be Returned: (\$11,650)

CODE KEY

Code	Description
C	Copy of the cancelled check (front and back) not provided.
I-D	More detailed contemporaneous invoice than previously provided is requested.
I	Copy of invoice was not provided.
NCR	Not Qualified – Non-Campaign Related.

Election Year and Voter Outreach

This chapter covers the CFB's voter education efforts and how your campaign can take advantage of these opportunities to reach the voters free of charge.

How Does the CFB Help Candidates Get Their Message Out to Voters?

The CFB produces the official New York City Voter Guide for each regularly scheduled primary and general election. The Guide is produced in print, online, and in video format. Currently, only candidates for municipal offices are allowed to submit statements for the Voter Guide, although the online edition contains information about other races on NYC ballots. In citywide election years, the CFB also coordinates a debate program for candidates running for citywide offices.

New York City Voter Guide

The **Voter Guide** is a nonpartisan print, online, and televised resource that educates voters about candidates and ballot issues. It offers every candidate running for CFB covered offices an opportunity to introduce themselves to potential voters and provide information about their platforms and positions on key issues.

Each candidate is encouraged to submit a profile and photo for the print edition and to tape a statement for the video edition. Both your profile and video statement will appear in the online Guide. You may not refer to any opposing candidate by name, and must not include statements, gestures, or materials that are patently offensive in either the print or video statement. The Voter Guide also contains nonpartisan information about how and where to vote, how to register to vote, the dates of the primary and general elections, and information about any local or state proposals that are expected to appear on the ballot.

Printed Voter Guides are mailed before each local election to all eligible voters in English and Spanish. Bengali, Chinese, and Korean editions are also mailed in targeted areas, consistent with the federal Voting Rights Act. The CFB delivers guides to schools, libraries, civic groups, and other organizations for wider distribution to the public, and is happy to provide copies of any edition of the guide upon request.

The online Guide provides general voting information, candidate profiles, and video transcripts in multiple languages and audio formats. You can link directly to your profile page from your website or social media posts, and download and distribute your video from the [CFB's YouTube channel](#), to help promote your candidacy.

During the election year, Candidate Services will send your campaign instructions for submitting your Voter Guide profile and video script, and how to set up your taping appointment. Even if you are still deciding whether you will run for office, or are not sure you are on the ballot, you should submit a profile and script and set up your taping by the deadline to ensure you are included in the guide if you do run. The CFB will only publish profiles and videos of candidates who are anticipated to be on the ballot for each election at press time.



CONTACT US

Contact your Candidate Services liaison for more information about the Voter Guide.

The printed, video, and online Voter Guides offer you an invaluable chance to reach potential voters before Election Day, at no cost to your campaign. Make sure you participate!

The Debate Program

The Act requires candidates for citywide office—mayor, public advocate, and comptroller—who join the Campaign Finance Program to participate in debates before each election. The debates enable voters to learn more about the candidates’ positions on issues that matter to them.

There are two primary and two general election debates. Each debate is at least one hour long. Debates are usually televised live and streamed on the Internet. Some debates are simulcast or rebroadcast in languages other than English.

The [Debate Program](#) is administered by the CFB in partnership with civic and media sponsors. These sponsors cannot be affiliated with any political party or with any officeholder or candidate, and must not have endorsed any candidate in the pending primary, general, or runoff election. Sponsors are responsible for choosing the date, time, and location of the debates; the rules for each debate are largely determined by its sponsor(s) in consultation with the CFB.

Participating candidates who are eligible to take part in a debate are required to do so and may be deemed ineligible for any public funds if they do not.

To be eligible to take part in the first debate, candidates must have raised and spent at least 2.5% of the spending limit for the office sought, and meet additional nonpartisan, objective, and non-discriminatory criteria as determined by the debate sponsor(s) and the CFB. For debate eligibility purposes, money raised and spent does not include outstanding liabilities or loans.

Participation in the second debate is limited to candidates who are deemed “leading contenders,” again based on additional nonpartisan, objective, and non-discriminatory criteria as determined by the sponsor(s) and the CFB.



CONTACT US

For more information on the Debate Program, contact the Public Relations Unit at (212) 409-1800 or press@nyccfb.info.

Post-Election

This chapter explains how to prepare for the post-election audit and the timeline for completion.

The Basics

- All campaigns must file the post-election disclosure statements: Disclosure Statement #10 which is the 10-day post-primary (for primary election candidates and the July periodic for all other candidates), Disclosure Statement #14 (for general election candidates), and Disclosure Statement #15 (primary and general election candidates).
- Every campaign must submit periodic disclosure statements in January and July until the campaign has satisfied all outstanding liabilities, disposed of all assets, and closed its committee with the CFB.
- Review the [Post-Election Checklist and Best Practices](#) page on the CFB website to help stay in compliance as you go through the post-election period and wind down your campaign.
- Post-election spending is narrowly restricted and must be related to winding down your campaign and responding to the post-election audit.
- Post-election fundraising is subject to contribution limits and all other requirements for the election cycle. Review [Chapter 2](#) of the Handbook for more information.
- The CFB offers Post-Election trainings that help campaigns understand the post-election audit process. Attending a Post-Election training may expedite the issuance of your campaign's Final Audit Report.
- Throughout the entire post-election period, be sure to keep your contact information on file with the CFB up to date, continually check [C-Access](#), and respond to all notices and requests that you receive from the CFB.
- Campaigns may receive an Initial Documentation Request, which will list all the documentation requested by the CFB, after the final disclosure statement for the election cycle. The campaign has 30 days to respond. Campaigns may receive a Draft Audit Report and/or a Notice of Alleged Violations and Penalties, which will cite any preliminary findings of non-compliance with the Campaign Finance Act and CFB Rules and will require a timely response.
- The Final Audit Report (FAR) could be sent within 14-18 months after the last disclosure statement is filed. It will detail any findings, violations, and penalties determine by the Board and any public funds repayments owed to the Public Fund. It will be posted to your [C-Access](#) account and published on the [CFB's website](#).

Winding Down the Campaign

After the election, you should wind down your campaign within 30 days and prepare for the post-election audit. All campaigns must file the post-election disclosure statements. All candidates must file Disclosure Statement #10 (the 10 day post-primary /July periodic filing) and all candidates who were on the general election ballot must file Disclosure Statement #14 (the 27 day post-general filing). All candidates must also file Disclosure Statement #15 and submit periodic disclosure statements in January and July until the campaign has satisfied all outstanding liabilities, appropriately disposed of all assets, and closed its committee with the CFB.

Winding down the campaign involves paying all outstanding liabilities, removing campaign posters and signs, closing your campaign office, shutting down your campaign website, and ensuring your records are organized in preparation for the post-election audit. Closely review the [Post-Election Information](#) page for further guidance on winding down your campaign.

Post-election spending is very narrowly restricted, especially if your campaign received public funds. Post-election spending should be limited to payment of outstanding pre-election liabilities, minimal costs involved in winding down the campaign and preparing for the post-election audit, and other permissible post-election expenditures listed on [pages 39–40](#) and the [Post-Election Information](#) page. Your campaign should conduct post-election fundraising only if the amount of your outstanding liabilities exceeds your campaign's current bank balance. When fundraising, you must continue to abide by the contribution limits and requirements for the election cycle. Review the [Post-Election Bank Balance and Fundraising](#) page for more information on the requirements involved in unused campaign funds and post-election fundraising.



COMPLIANCE ALERT

If you are a Program participant who received public funds, all funds remaining in the committee bank account, up to the amount of public funds received, are considered public funds and must be returned to the CFB. After winding down your campaign and paying all liabilities, you should write a check payable to the “New York City Election Campaign Finance Fund” for the full amount of remaining funds by December 31 of the election year or, for a special election, on or before the last day of the month following the month in which the election took place.

What is the Post-Election Audit?

The post-election audit is a comprehensive review of your campaign's disclosure statements and documentation to verify your campaign's compliance with the CFB's rules and requirements. Whether you were a participant in the Campaign Finance Program or a non-participant, and whether or not you received public funds, your campaign will undergo an audit.

This chapter, as well as the [Post-Election](#) section of the [CFB website](#), will help you understand the requirements and timelines for the post-election period.

Much of the recordkeeping and documentation requirements discussed throughout this handbook will help you prepare for the post-election audit, but here are some things to remember:

- ❖ Keep all candidate, treasurer, and committee contact information (including email addresses) updated with the CFB. If there are changes to contact or banking information, submit a [Change of Contact Information](#) or [Change of Bank Account](#) form.

- ❖ Make sure all of your campaign’s transactions are in C-SMART. This includes transactions such as bank fees, outstanding liabilities, etc. (Remember to enter bills in C-SMART when you receive them — don’t wait until after you pay them.)
- ❖ Always write the transaction ID on your documentation, and keep it organized in folders using the [labels](#) from the CFB website.
- ❖ If you received public funds or expect to receive public funds, you must limit your post-election expenditures to expenses associated with winding down your campaign and responding to the post-election audit (see [page 39](#)).

The post-election audit happens in three stages:



After the election, the CFB will send your campaign an **Initial Documentation Request (IDR)** via [C-Access](#). This notification will include a checklist of all documentation being requested. The campaign must respond within 30 days.

The **Draft Audit Report (DAR)** is based on CFB staff’s review of documents submitted by your campaign throughout the election cycle and in response to the IDR. The CFB will cite any preliminary findings of non-compliance with the Campaign Finance Act and CFB Rules. The report may also contain potential public funds repayment obligations.

Note: The DAR is not a public document and does not represent any final determinations by the Board.

Your campaign’s response to the DAR is a critical opportunity to address issues that may lead to penalties if left unresolved. If your campaign does not respond to the DAR within 30 days, you will be assessed a substantial financial penalty. In addition, unresolved findings will be referred to the CFB Legal Unit.

You may receive an Enforcement Notice, based on your campaign’s response to the DAR. These notices include all findings that remain unresolved, which are subject to penalty.

The Final Audit Report is posted to your [C-Access](#) account and published on the CFB website. It will detail any findings, violations, and penalties determined by the Board. It will also detail any public funds repayments owed to the Public Fund. If your campaign is eligible to receive a post-election public funds payment, the payment will be issued with the final audit.

POST-ELECTION AUDIT TIMELINE

OFFICE SOUGHT	DEADLINE FOR DRAFT AUDIT REPORT	CAMPAIGN ATTENDED POST-ELECTION AUDIT TRAINING?	DEADLINE TO COMPLETE AUDIT PROCESS*
Mayor Public Advocate Comptroller	10 months	Yes No	16 months 18 months
Borough President City Council	8 months	Yes No	14 months 16 months
* The audit process is completed when the CFB issues your Final Audit Report or when the CFB notifies your campaign of potential penalties and/or potential public funds repayment obligations.			

However, the deadlines will be extended if your campaign:

- ❖ submits a late response to a request for information;
- ❖ submits an inadequate response to a request for information;
- ❖ requests an extension to its response deadline; or
- ❖ consents in writing to an extended deadline.

If the deadline is extended for one of these reasons, you will receive a notice posted to your [C-Access](#) account, which will indicate the new deadline and/or any action your campaign needs to take for the process to resume.

Example

After Disclosure Statement #16, Sophia for Council receives the CFB's request for documents required to conduct the Draft Audit. Her response is due in 30 days, on March 15, 2022. The treasurer will be out of town for the holidays, so the campaign asks for a 30-day extension and the CFB grants it. The campaign submits the required documentation by the new deadline of April 15, 2022, and the deadline for completion of each subsequent stage of the audit process is tolled 30 days to account for the 30-day extension the campaign was granted.

Please note that if your audit raises issues of serious violations—such as campaign-related fraud, other potential criminal activity, activity that may result in a breach, or potential significant violations of the spending limit—the deadlines described above do not apply.

What Resources Are Available Post-Election?

The CFB offers several resources to campaigns during the post-election process, including:

- ◆ The [Post-Election](#) section of the CFB's website, which includes the [Audit Process](#), [Post-Election Checklist & Best Practices](#), and [Bank Balance & Fundraising](#) pages.
- ◆ [Post-Election Trainings](#) — Post-election trainings help campaigns understand the post-election audit process, and more specifically, the Initial Documentation Request. During the training, we review common types of CFB audit findings, make basic recommendations on how to respond, and offer tips to help organize your campaign's response. Attending a post-election training can also expedite the issuance of your campaign's Final Audit Report.
- ◆ Your Candidate Services liaison (in addition to staff from the Audit and Legal Units) will continue to be available to help with any questions you may have as your campaign goes through the post-election audit.

Transition and Inauguration Entities

This chapter covers Transition and Inauguration Entities (TIEs) for elected candidates, including requirements for registration, disclosure, and raising and spending funds.

The Basics

- Before raising or spending funds related to your transition and/or inauguration into office, you must open a Transition and Inauguration Entity (TIE) bank account and register the TIE with the CFB.
- You may not transfer funds from another political committee (including a candidate committee) to your TIE, nor accept contributions from any political committee authorized by the candidate.
- Your TIE may only make expenditures that are in furtherance of the candidate-elect's transition and/or inauguration into office. You may not spend funds for any other purpose, including the repayment of post-election candidate committee debt.
- Candidates re-elected to the same office are presumed to have no transition expenses; incumbents are only permitted to incur expenses for their inaugurations.
- TIEs may accept contributions only up to the campaign contribution limit. Candidates may make unlimited contributions to their own TIE.
- You may not incur any TIE expenditures after **January 31** in the year following the election.
- TIE funds remaining once all liabilities are paid must be returned to one or more of the TIE's contributors; excess funds may not be transferred to any other committee or entity.
- Your TIE must terminate once it pays all liabilities, or by April 30 in the year following the election or 60 days from inauguration in the case of a special election, whichever is earlier.

Transition and Inauguration Activities

Elected candidates who wish to raise or spend funds for their transition and/or inauguration into office must create and register a Transition and Inauguration Entity (TIE) with the Campaign Finance Board (CFB).

Registration

Before you may begin raising or spending funds for transition or inauguration into office, you must open a TIE bank account and register your TIE with the CFB. This requirement applies to all candidates elected to the offices of mayor, public advocate, comptroller, borough president, and City Council, regardless of participation in the Campaign Finance Program. You may not use existing candidate committees to raise money for the candidate's transition or inauguration. Further, you may not transfer funds from any political committee or other entity to the TIE.

The TIE Registration form must be signed by the candidate and TIE treasurer/designated officer, notarized, and submitted to the CFB by mail or hand-delivery (original signatures required). TIEs are required to file disclosure statements with the CFB. Financial disclosure will be performed electronically using C-SMART; access will be issued upon acceptance of your TIE registration.

Contribution Limits

Your TIE may accept contributions only to support transition and inauguration activities. You may not accept contributions from any one contributor in excess of the following amounts, which are the same as the regular campaign contribution limits (see [Chapter 2](#)):

TRANSITION AND INAUGURATION ENTITY CONTRIBUTION LIMITS

OFFICE	CONTRIBUTION LIMIT
Mayor Public Advocate Comptroller	\$5,100
Borough President	\$3,950
City Council	\$2,850
Note: Monetary <i>and</i> in-kind contributions count toward an individual's contribution limit.	

Candidates may make unlimited contributions to their own TIE.

Loans are deemed to be monetary contributions, subject to the applicable limits and restrictions, if not repaid by the date of the elected candidate's inauguration. Advances are considered in-kind contributions, subject to the contribution limit, until repaid.

Restricted Contributions

TIEs may not accept contributions:

- ❖ From any political committee authorized by the elected candidate (including transfers).
- ❖ From unregistered political committees.
- ❖ From corporations, PCs, LLCs, LLPs, or partnerships.
- ❖ From any person or entity whose name appears in the [Doing Business Database](#), regardless of the amount of the contribution, except for the candidate-elect or his or her close relative (a close relative is considered to be a candidate-elect's parent, spouse, domestic partner, sibling, child, grandchild, aunt, uncle, cousin, niece, or nephew).
- ❖ Made in cash in excess of \$100.
- ❖ Once all outstanding debts relating to your TIE are paid.



COMPLIANCE ALERT

You may only accept contributions from political committees that have registered with the CFB for the 2021 election cycle. To verify that a political committee is registered, check the CFB's [Registered Political Committees list](#).

If you have accepted a contribution from a prohibited source, immediately refund the contribution in full with a certified or bank check. Should you accept and keep a contribution from a prohibited source you may be assessed a monetary penalty. Please contact your Candidate Services liaison if you have questions regarding prohibited contributions.

Spending

Your TIE may only spend funds for the candidate-elect's transition or inauguration into office. You may not spend funds for any other purpose. Examples of transition expenditures include temporary office furniture, temporary office rent, seminars, consulting, payroll, and phone bills, provided they are made to assist the transition into office. Examples of inauguration expenses include catering, entertainment, payroll, invitations, rental fees, decorations, advertising, transportation, and photography, so long as they are made for an inauguration event.

Note: Individual payments made in cash may not exceed \$100.

Candidates who are re-elected to the same office (incumbents) are presumed to have no transition expenses and are only permitted to incur expenses for their inauguration.

You may not incur any TIE expenditures, other than contribution refunds and other nominal costs associated with responding to the CFB's audit of the TIE, after **January 31** in the year following the election. Any expenses incurred after this date are presumed to apply to the candidate's next election and shall be subject to the requirements governing that election cycle.

Once your TIE has paid all of its liabilities, it must be closed and all remaining funds must be returned to one or more of the TIE's contributors — or, if that is impracticable, paid to the New York City Election Campaign Finance Fund. All TIEs must be closed no later than April 30 in the year following the election or 60 days after inauguration in the case of a special election.

Recordkeeping

Each TIE will undergo a review by the CFB. You must keep clear and accurate records so that the CFB can confirm the accuracy of disclosure reports and compliance with all TIE requirements. You will need to submit the following documentation:

- ❖ Copies of all checks, contribution cards, and other documentation for each contribution.
- ❖ Records of efforts made to collect each contributor's and intermediary's name, residential address, occupation, employer, and business address.
- ❖ Receipts showing the value of in-kind contributions.
- ❖ Documentation of loans received, repaid, and forgiven.
- ❖ Bills for goods or services rendered.
- ❖ Monthly billing statements or receipts for credit/debit card purchases.
- ❖ Bank statements.
- ❖ Copies of deposit slips.
- ❖ Returned and cancelled checks.

Note: Your TIE must retain all records for six years after the date of its registration.

Disclosure

How to Disclose

Your TIE must disclose all financial activity using C-SMART. C-SMART reporting for TIE functions in the same manner as candidate committee reporting during the election cycle.

Filing Deadlines

Your TIE must submit periodic disclosure statements to the CFB using C-SMART. Your TIE must submit monthly disclosure statements to the CFB. Each disclosure statement is due on the fifth business day of the month and covers the prior month. Your first disclosure statement is due in the month after you form your TIE. Your final statement is due five business days after you terminate your TIE, and you do not have to file additional statements.

Be sure to settle outstanding liabilities and return all remaining TIE funds to one or more contributors as soon as possible. The final report is due on the fifth business day after you close the TIE, and ends your filing obligations with the CFB. However, do not close your TIE bank account until notified to do so by the CFB.

Disclosing Contributions

Your TIE must disclose all contributions received. Contributions made by check, cash, money order, or credit card are considered monetary contributions. Contributions of goods and services are in-kind contributions and must also be disclosed. Both monetary and in-kind contributions count toward an individual's contribution limit.

Your TIE must itemize all contributions (both monetary and in-kind) that exceed \$99 by disclosing the following information:

- ❖ Contributor's name and home address.
- ❖ Contributor's occupation, employer, and business address.
- ❖ Date the contribution was received.
- ❖ Contribution type (i.e., check, cash, money order, credit card).
- ❖ Contribution amount.

Your TIE must also disclose the contributor's occupation, employer, and business address for contributions exceeding \$99.

Contribution Refunds and Returned Checks

Your TIE must disclose all contribution refunds using C-SMART. If a contributor check is returned by the bank, first attempt to redeposit the check. Report the transaction in C-SMART (as a contribution and refund) if the check is returned again.

All solicitations and fundraising literature should contain a request for the information you are required to disclose.

Disclosing Intermediaries

An intermediary is a person or entity that solicits or delivers contributions to your TIE. You must disclose intermediaries using C-SMART and identify the intermediary for each applicable contribution. Disclosure must include the intermediary's name, residential address, occupation, employer, and business address.

Disclosing Expenditures

Your TIE must disclose all expenditures made using TIE funds. Expenditures of \$50 or more must be itemized and include the following information:

- ❖ Invoice date.
- ❖ Vendor/payee name and address.
- ❖ Purpose of the expenditure.
- ❖ Payment amount.
- ❖ Payment method.
- ❖ Check date and number, if payment was made by check.
- ❖ The TIE bank account from which the payment was disbursed.



REMINDER

If you know that one individual or entity solicited the contributions and another delivered them, the solicitor should be reported and documented as the intermediary.

Credit and Debit Card Payments

When reporting expenditures made with a credit or debit card, you must disclose expenditures individually; disclosing only aggregate bill payments to the credit or debit card company is insufficient.

Subcontractors

If a vendor pays an individual subcontractor more than \$5,000 for an expenditure, you must report the name and address of the subcontractor, a description of the goods or services provided by the subcontractor, and the total cost of the subcontracted services. The best way to obtain this information is for the TIE vendor to complete a [Subcontractor Disclosure Form](#).

Disclosing Loans

Loans made to your TIE must be documented and disclosed. You must report the lender's name, address, and the amount and terms of the loan. A loan must be repaid by the date of the elected candidate's inauguration or else it will be treated as a monetary contribution subject to contribution limits and restrictions.

Disclosing Advances

Your TIE must also disclose advances. An advance occurs when an individual pays for a TIE expense using his or her personal funds with the expectation of reimbursement. An advance is considered an in-kind contribution, subject to the contribution limit, until it is reimbursed. Reimbursements should be made by committee check and must be disclosed using C-SMART.

In the Campaign Finance Act and Rules

- ❖ [Campaign Finance Board Rules](#) 13-01 – 13-05.
- ❖ Campaign Finance Act [§3-801](#).

Best Practices for Political Campaigns in New York City

This chapter describes standard financial controls and procedures that can help you protect and manage your campaign's assets effectively.

Under the New York City Campaign Finance Act and the Rules of the Campaign Finance Board (CFB), all campaigns must file accurate and complete disclosure statements supported by detailed documentation. A system of **internal controls** can increase the accuracy of your campaign's reporting and improve your campaign's compliance with the Act and Rules.

This chapter is designed to give you specific tips and helpful hints for creating a system of internal controls to increase compliance. **Please note:** This chapter supplements — but does not replace — the rest of the Handbook, any provision of the Campaign Finance Act, or any CFB rule.

The CFB *highly recommends* that you implement as many of these practices as you possibly can, within the practical realities of your campaign's operation.

Who is Responsible for Establishing Internal Controls?

Both the candidate and the treasurer of a campaign are legally responsible for creating the necessary control procedures to ensure a campaign's compliance with the Act and Rules. **This chapter is written primarily for treasurers.** However, candidates and other people responsible for the campaign's finances should also be familiar with these best practices to ensure that the campaign's system is effective.

What is Internal Control?

Internal control is a process to help an organization:

- ◆ Operate effectively and efficiently
- ◆ Produce reliable financial reports
- ◆ Comply with laws and regulations
- ◆ Protect the campaign's assets

Job descriptions, written procedures, filing systems, and budgets are examples of common internal control tools. They can contribute to the effective and appropriate use of campaign funds. However, even the best system can provide only reasonable, not absolute, assurance that funds will be used appropriately. Any system may be defeated either accidentally or intentionally. Well-designed procedures reduce the risk that errors or intentional acts will occur or go undetected.

A lack of internal control and oversight can create an environment that contributes to misspent funds, incomplete campaign records and inaccurate reporting to the CFB. This can increase the likelihood of financial penalties for the candidate, treasurer, and committee.

To help you get the benefit of internal controls, the CFB has identified best practices for campaigns to consider.

Are These Suggestions or Requirements?

These are **highly recommended** best practices to help you protect your campaign's assets and comply with the Campaign Finance Act and CFB Rules.

These best practices are designed to prevent common weaknesses and errors that the CFB has identified based on its experience. They do not represent an exhaustive list of all possible controls. For example, standard office organization, personnel supervision, and accounting procedures are not discussed here, although they are essential for any well-run and compliant campaign. Each campaign must identify and implement all procedures and tools necessary to protect the campaign's financial assets and to ensure compliance with the law.


Please note: During the election year, the CFB Audit Unit may conduct compliance visits to campaign offices. These visits will include spot-checks of some basic internal control systems and processes. Campaign representatives may be asked about the types of controls described in this chapter. The Candidate Services Unit (CSU) and the Audit Unit will give campaigns additional information about what else may be required during these visits.

What About Small Campaigns?

If your campaign is a small operation staffed mostly by volunteers, or with a low level of financial activity, you might think you do not have time to create a system of controls. However, without controls, you risk violating the Act and Rules. Simple, inexpensive internal controls can provide reasonable assurance that funds will not be misused. Many of the best practices are straightforward and easy to implement.

It is in your best interest to create internal control procedures. Remember, the main goals are to:

- ❖ Manage your campaign funds effectively.
- ❖ Prevent or quickly detect any errors.
- ❖ Submit complete and accurate disclosure statements and supporting documentation.



Some campaigns are officially registered as small campaigns, which allows them to follow simplified reporting requirements. Please see [Chapter 4](#) or contact your Candidate Services liaison for more information about this formal designation.

Internal Control Environment

Both the **candidate** and the **treasurer** are legally responsible for the overall conduct of the campaign and for every detail of the campaign's financial system. The candidate and the treasurer must create an internal control environment to ensure the appropriate use of the campaign's money, accurate recordkeeping and complete documentation of all transactions.

There are three key types of internal controls. While the time-sensitive and unpredictable nature of campaign work will occasionally require campaign workers to pitch in and help with a given task, setting up and maintaining these controls will help the campaign comply with CFB requirements.

❖ **Assign financial duties so that no single individual has complete control over transactions.**

This is the key component in any internal control system. Without adequate separation (also called “segregation of duties”), it is very difficult to be sure that the campaign is meeting its internal control goals. As part of this process, campaigns should build in steps for independent quality review or spot-checking of financial transactions. Think of these as the checks and balances in your system. For example, if at all possible, the person who enters contribution transactions into C-SMART should not also be responsible for depositing those contributions into the campaign’s bank account. Another simple control is to have someone double-check all bill payments before the checks are mailed out to vendors.

❖ **Provide proper training and guidance to relevant staff.** It is vital that each assigned person be trained in the tasks required to manage and control campaign assets and to comply with the law. Here are four steps to take:

- ❖ Create simple and clearly written job descriptions so that each person knows just what he or she is supposed to do. Focus on the main functions and expectations for each position.
- ❖ Send the appropriate staff members to a CFB training session, and ensure that they keep CFB educational materials handy, especially the Handbook.
- ❖ Whenever possible and practical, use written procedures, checklists, helpful hints and tips, reminders and regular meetings to ensure that volunteers and staff members are following the steps developed by the campaign treasurer, manager, and other responsible individuals.
- ❖ If practical, assemble these job descriptions and procedures into binders, and post them on office bulletin boards or walls, to remind employees and volunteers how to comply with the Act and Rules.

❖ **Limit the number of people who have access to any accounting function, assets, or records system.** Ideally, a campaign should use the smallest number of people needed to accomplish the work and still keep a separation of duties. These can be paid staff members or responsible volunteers. They should understand the importance of control procedures and their role in ensuring accurate reporting and documentation of all financial activities. For example, authorize only a few responsible people to sign checks; allow only designated workers to handle cash; assign selected staff members to work with C-SMART, etc.

If your campaign staff is small, it is still very important to keep some level of separation of duties and independent review. For example, one person might process the daily transactions and another person might review draft disclosure statements.

In a small campaign, as few as two or three people may process, record, and report transactions. It may be reasonable for campaigns with limited staff to have one person carry out these duties. With careful planning and assigning of duties, you can create a basic, workable internal control system with very few people.

These three elements of a successful control environment are the foundation for the best practices described in this chapter.

Bank Accounts

- ✦ Authorize only the treasurer or his or her designee to open and close the committee's bank account. These people should be specifically identified in bank documents. Keep copies of these documents.
- ✦ Limit the number of people who can sign checks or make withdrawals. For smaller campaigns, consider authorizing no more than one or two signers; for larger campaigns, consider authorizing two or three people. Do not use signature stamps.
- ✦ For checks above a certain dollar amount, require signatures on the check from *two* responsible individuals. For smaller campaigns, the recommended amount for this additional level of approval is \$1,000; for larger campaigns, \$5,000 is the recommended level.
- ✦ Protect debit and credit cards carefully, including PINs. They represent easy access to campaign assets. The campaign's bank or credit card issuer may be helpful in this regard. It may be possible to place dollar restrictions on cards, both on a per-transaction basis and a cumulative limit. Limits can also be placed on cash withdrawals using the cards. (Note: Your campaign is limited to a petty cash fund of no more than \$500. See [page 54](#).)
- ✦ Prepare itemized deposit slips. Deposit cash separately from checks. Each deposit slip should list each check individually. Keep copies of deposit slips.
- ✦ Get access to online banking. It will help you view your account's financial activity at any time, print scanned copies of cancelled checks and review bank statements as needed. Protect your username and password.
- ✦ The person who reconciles the bank statement should **not** also sign checks or control the checking account. The individual responsible for reconciling the account should receive the bank statement unopened.

Note: A vital step is to assign one person to process transactions in C-SMART and another person to reconcile the bank accounts. This can prevent or quickly reveal misappropriations and inaccurate reporting. It is also an **excellent way** to discover errors and omissions that occur accidentally.

- ✦ Reconcile your bank statements, accounting records, backup documentation, and the draft disclosure statement before filing each disclosure statement using C-SMART.
- ✦ C-SMART's **draft submission** feature allows you to complete this reconciliation easily. Two or three days before each Filing Day, review a draft of your disclosure statement to ensure that all your contributions and expenditures have been entered properly. Compare the transactions to your records.

Contributions

- ❖ Create procedures for handling contributions correctly; some recommended steps appear in this section and in [Chapter 2](#). Make sure these procedures are clearly posted and/or available in a binder for all staff members who are handling contributions.
- ❖ The employee responsible for opening the mail should:
 - ❖ Open the mail everyday. If your committee uses a P.O. box, be sure to collect the mail frequently.
 - ❖ Stamp restrictive endorsements, such as *For Deposit Only to the Account of Name of Committee, Account #12345*, on all checks received.
 - ❖ Put all funds received into an envelope or folder and give it to the person responsible for C-SMART data entry.
- ❖ Ensure that all checks and contribution cards are completely filled out and signed by the contributor. You must not alter contribution documentation. If any information, such as the date or amount, appears unclear, you can follow up with the contributor to obtain a [contribution affirmation letter](#).
- ❖ Copy all checks, money orders, and contribution documentation, in accordance with [Chapter 2](#).
- ❖ Cash contributions must be deposited in the committee’s bank account or rejected and returned to a contributor within 10 business days of receipt. All other contribution types must be deposited within 20 business days of receipt. Use this time to determine whether each contribution is allowed, prohibited, or over the contribution limit.
- ❖ Enter information about funds received into C-SMART before depositing the funds in the bank. During data entry, double-check the spelling of contributors’ names.
- ❖ C-SMART will generate a transaction ID for each contribution entered. Note this number on the contribution documentation — checks, money orders, and contribution cards.
- ❖ If a contribution is prohibited or over the allowable limit and has already been deposited, refund the amount promptly by bank check or a certified check. **Make a copy** of the refund check for your records; it will be requested by the Audit Unit. Remember to report the refund C-SMART. Refer to [page 67](#) for more information on how to issue a refund.
- ❖ Keep funds that are awaiting deposit in a locked cabinet at all times.
- ❖ Create a secure location for physically handling cash. Consider the need for privacy and discretion whenever cash is counted.

C-SMART

When you enter a contribution into C-SMART and C-SMART alerts you that the contribution is over-the-limit or puts the contributor’s total over-the-limit, you can return the check without ever depositing it. Make sure you do not save the contribution in C-SMART, since you will not be depositing it into the bank

- ❖ Deposit cash separately from checks and money orders. Each deposit should have a detailed deposit slip listing each check and money order or the total amount of cash included in that deposit. Keep a copy of the itemized deposit slip in your files.
- ❖ Deposit all cash. Cash contributions must never be put into the petty cash fund.
- ❖ Deposit cash into your committee’s bank account **daily**, if at all possible.
Note: As stated above, CFB Rules allow campaigns up to 10 business days to deposit cash, but the best practice is to deposit it more frequently. Cash is the **most vulnerable** asset. Internal control processes governing the handling of cash must be particularly rigorous.
- ❖ At least monthly — more often as the election approaches — a responsible campaign staff member should compare: (1) the total amounts recorded in C-SMART for that month and (2) the total in receipts on your bank statement.
- ❖ For contributions received at campaign fundraisers or other events, prepare a written log of all checks, cash, money orders, and credit cards as the contributions are made. See [page 114](#) for a sample Campaign Event Contributions Log. The log should include:
 - ❖ Date and location of the event.
 - ❖ Name of the person preparing the log.
 - ❖ Contributor name. (**Note:** Double-check the spelling. This can prevent problems later.)
 - ❖ Type of contribution: check, cash, money order, credit card.
 - ❖ Check/money order number.
 - ❖ Amount.
 - ❖ A reminder to check for proper documentation (e.g., a contribution card, properly completed by the contributor, including employment information).



REMINDER

Use NYC Votes Contribute to accept credit card contributions. If your committee is accepting credit card contributions through another platform, please refer to the [Credit Card Contributions](#) guidance document for disclosure and recordkeeping practices.

After the event, promptly submit all funds and logs to the person(s) responsible for C-SMART data entry. Use the Fundraising Events feature in C-SMART to keep track of the information in the log.

See pages [19](#) and [55](#) for more information on the records that the campaign must keep for every fundraising event, including information on contributions and expenditures.

It can be difficult to follow proper procedures while a campaign event is in progress, but it is **extremely important** to do so. Consider these steps to ensure accuracy and to prevent potential compliance problems later:

Before the event

- ❖ Assign specific tasks to responsible campaign staff.
- ❖ Prepare a written checklist of documentation requirements for contributions.

During the event

- ❖ At the event, use your checklist to do a quick **quality control** review of every contribution. Does the contribution comply with all requirements? Immediately ask the contributor about any missing or unclear information. If there's a problem, you can easily return the improper contribution or have the contributor fix the error.
- ❖ Use the **Contributions Log** (or a similar method) and total the receipts after each event. The subtotals of each contribution type should match the actual total amount of contributions received.
- ❖ Have **two people** separately count all cash received.

After the event

- ❖ Have two people independently count the cash, checks and money orders and add the total receipts. If there are discrepancies between the two counts or the record on your log, immediately identify the causes and begin any necessary work to correct them.



COMPLIANCE ALERT

Do not change the dates or amounts on contribution cards. Altering a contribution card, even for what you think is an innocent reason, may cause the CFB to raise questions of possible fraud, which can delay payment of public funds, and may lead to monetary penalties.



CONTACT US

If you have any question about how to properly document a contribution, call your Candidate Services liaison at (212) 409-1800.

Note: Properly documenting contributions with complete, accurate contribution cards — filled out at the time the contribution is made—is a fundamental internal control. (See [Chapter 2](#).)

Expenditures

- ❖ Create procedures for making payments correctly; some recommended steps appear in this section and in [Chapter 3](#). Make sure these steps are clearly posted and/or available in a binder for staff members who are making payments. Even if only one person (for example, the treasurer) is authorized to make payments, it can be helpful to have a clear summary of procedures to follow when the campaign is very busy.
- ❖ Use committee checks or debit cards for all payments. This will reduce the need to use cash; cash is your campaign's most vulnerable asset. In addition, cash payments cannot be qualified. Committee checks and debit cards are the best way to keep a documented record of how your campaign's money is spent. This documentation will be reviewed during the post-election audit.
- ❖ To reduce the need for starter checks, use a committee debit card. Stop using starter checks when your numbered checks arrive, and destroy any unused starter checks.
- ❖ Use only one checkbook. Use only pre-numbered checks, in numerical order.
- ❖ Keep your unused checks in a safe place and investigate immediately if any are missing.
- ❖ Do not use pre-signed or "blank" checks (where the payee line is left blank, to be filled in later).

- ❖ If a vendor needs a replacement check, void the original check in C-SMART **and** in your check register. Review your bank statements carefully to ensure that the original check was not presented to the bank for payment.
- ❖ Require every vendor and service provider to give the campaign a legible, detailed invoice (bill) when an order is placed, even if you will receive the product or service later. The invoice must be addressed to your **committee** (not to the candidate) and should include:
 - ❖ Date of the invoice.
 - ❖ Vendor’s name and business address.
 - ❖ A detailed description of what the vendor did (or will do) for the campaign.
 - ❖ Price per unit.
 - ❖ Total amount due.
 - ❖ Other information as necessary.

This information will help CFB auditors understand what the expenditure was for. Detailed invoices will confirm the accuracy of the campaign’s disclosure statements. See [Chapter 6](#) for sample invoices and more details on the required information.

- ❖ If a vendor requires the campaign to pay a deposit (or pay in full) before the vendor provides the product or service, be sure to obtain a document with the same detailed information noted above. It should also include the amount already paid by the campaign and the balance to be paid, if any, when the good or service is provided.
- ❖ Keep unpaid bills separate from invoices that have already been paid. Make sure you can easily find the unpaid bills. This will help make your check-writing process more efficient and will help you avoid late payments.
- ❖ Ensure that invoices (bills) have been properly documented and approved by the candidate, treasurer or campaign manager before payment is made. Documentation should include:
 - ❖ A detailed original invoice.
 - ❖ Evidence that the goods or services were received.
 - ❖ Proof that the purchase was properly authorized.



COMPLIANCE ALERT

A check authorization form for the campaign’s internal use can help ensure that appropriate information and signatures are recorded for each check. See [page 115](#) for a sample form.

Properly documenting expenditures with original invoices and appropriate signatures is a **fundamental** internal control.

- ❖ **Do not** backdate documents to attempt to show proper approvals.
- ❖ **Do not** create invoices for vendors or suppliers.
- ❖ **Do not** create invoices after the fact.
- ❖ **Do not** create receipts.

These actions may be considered fraud. The Board may assess harsh financial penalties for such actions and may require the repayment of public funds. If you have any question about how to properly document an expenditure or need to address an issue of missing documents or information, call your Candidate Services liaison at (212) 409-1800.

- ❖ Mail all checks promptly and directly to the payee. The person mailing the check should be independent of those requesting, writing and signing it. In small campaigns, it may not be possible to segregate these duties entirely, but you should take care to ensure adequate oversight and approvals to prevent errors or misuse of funds.
- ❖ If a campaign staff member plans to hand-deliver a check, he or she should sign for the check upon taking possession of it. This signature can be included on a check authorization form.
- ❖ When making a purchase, obtain a detailed receipt (proof of payment), even for small purchases.
- ❖ Keep invoices (bills) and receipts for all purchases, including credit and debit card transactions. If at any time you become aware that an invoice is missing or incomplete, request a replacement invoice from the vendor.
- ❖ Every invoice (bill) should be stamped or marked “Paid” when it has been paid. This will help you avoid double payments or inaccurate payments.
- ❖ Some requests for payment, like office rent, are not normally accompanied by an invoice. In these cases, request a receipt from the payee when possible. At a minimum, these payments should be authorized by a responsible official.
- ❖ Record each expenditure in C-SMART as soon as you receive the bill, even if you have not yet paid the bill. An expenditure is considered an outstanding liability until it is paid. Always remember to mark the transaction ID on the bill or invoice.
- ❖ Advance purchases must be well documented and reported accurately. An advance occurs when a third party (e.g., a staff member or volunteer) purchases a good or service on behalf of the campaign and he or she expects repayment for the purchase. When an advance occurs, be sure to obtain a copy of the bill or receipt from the original vendor and a completed [Advance Repayment Voucher](#) (see [Chapter 3](#)).

Petty Cash

- ❖ Create procedures for handling petty cash correctly; some recommended steps appear in this section. Make sure these steps are clearly posted and/or available in a binder for campaign staff members who are handling petty cash.
- ❖ Train a limited number of responsible staff members to manage the petty cash fund.
Remember: Cash is a campaign’s most vulnerable asset. Internal controls over cash must be designed well and communicated clearly.
- ❖ Keep the minimum amount of petty cash needed to make small expenditures. The campaign treasurer should determine both the maximum and minimum amounts to be kept in the fund.
Note: No more than \$500 can be in the petty cash fund at one time.
- ❖ Only withdraw cash for the purpose of a petty cash fund. Use a debit card or committee check made out to “cash” and **not** a credit card when replenishing the petty cash fund.

- ❖ Never put cash contributions directly into the petty cash fund. All contributions must be deposited into the campaign’s bank account (after C-SMART data entry).
- ❖ No single cash expenditure or purchase can be in excess of \$100.
- ❖ Use the C-SMART **Petty Cash** feature to track the flow of cash in and out of the fund. Then, you will be able to run a report called the Petty Cash Journal.
- ❖ Keep all receipts from cash purchases and file them in a secure location. Develop a filing system that works for your campaign; for example, receipts may be filed chronologically.
- ❖ Any change left over from petty cash purchases should be returned to the fund as soon as possible.
- ❖ Be prepared to produce the campaign’s Petty Cash Journal during the compliance visit, post-election audit, or upon request by the CFB.

Staff Wages & Consultant Fees

- ❖ Create a detailed, written contract for each staff member and consultant when they are hired. The contract should include these items at a minimum (see [Chapter 3](#)):
 - ❖ Full name of employee/consultant.
 - ❖ Functions to be carried out (e.g., communications consulting).
 - ❖ Specific tasks to be performed (e.g., write campaign press releases and brochures).
 - ❖ For staff paid at an hourly rate, expected number of hours to be worked per specified period (day, week, month, etc.).
 - ❖ Salary or wage to be paid, per period and in total.
 - ❖ For consultants working on a fixed-price basis, a statement of the maximum amount to be paid for the completion of the specified tasks.
 - ❖ Dates covered by the contract.
 - ❖ Signatures of the employee/consultant and the campaign treasurer.
 - ❖ Date signed.
- ❖ The treasurer should be the only authorized signer of checks for salaries, wages, and consultant fees, unless they are over a certain amount (see also [page 105](#)).
- ❖ Confirm the number of hours worked by campaign staff. This will help ensure that your time sheets are accurate. Observe the detailed requirements for people paid on a daily or hourly rate, including petitioning and get-out-the-vote workers.

See [Chapter 3](#) for sample time sheets and more details on the required information.

Note: Volunteers do not need a contract or time sheet, since they are not being paid. However, if a campaign volunteer becomes a paid staff member, **you may not** pay for work he or she has already completed as a volunteer. Create a contract only for the **future work** to be performed on a paid basis. Do not backdate contracts. Also note that once an individual has been paid, he or she may not work as a volunteer for professional services of a similar nature.

- ❖ For consultants, develop clear schedules and a detailed description of goods or services to be rendered. Each invoice (bill) submitted by a consultant should describe the specific good or service delivered during the period covered by the invoice. Save samples of employees' and consultants' work products when possible.
- ❖ Consult the IRS, the NYS Department of Taxation and Finance and other authorities for information on establishing procedures to withhold and pay all payroll taxes (federal, state, local, social security) on time and in accordance with applicable laws.
- ❖ Consult a tax advisor as necessary to create a system for filing tax returns and state unemployment benefits returns each quarter. Establish procedures for distributing W-2 forms and 1099 forms in accordance with applicable laws. Reconcile W-2 forms with payroll records and 1099 forms with consultant expenditures before distributing them.

Thinking of hiring a consultant? Comparison shopping is always a good idea. Talk to several individuals to be sure you have found someone who understands the needs of your campaign and can deliver the services you're looking for. Clear communication up front will help you in the long run. Also review [Political Consultants Who Work for Both Candidates and Independent Spenders.](#)

Recordkeeping

- ❖ Keep **all records** that show how your campaign has received and spent funds. Develop an organized filing system that works for your campaign.

You must keep these records:

Bank records

- ❖ Bank statements.
- ❖ Itemized deposit slips.
- ❖ Merchant account statements (if applicable).

Contributions

- ❖ Copies of checks and money orders.
- ❖ Contribution cards.
- ❖ Documentation of credit card contributions (if applicable).

Expenditures

- ❖ Bills (invoices).
- ❖ Receipts (proof of payment).
- ❖ Front and back of cancelled checks.
- ❖ Documentation for advance purchases and repayments.
- ❖ Credit card statements.
- ❖ Contracts.
- ❖ Time sheets.
- ❖ Leases.



REMINDER

See the CFB website, [Rule 4-01](#) and Chapters [2](#) and [3](#) for detailed descriptions of the records that your campaign must keep.

Note: The quality of your campaign’s recordkeeping will **directly affect** your ability to receive public funds. You cannot use public funds for any expenditure that does not have appropriate documentation created at the time of the expenditure.

- ❖ Make copies of all financial documents. Keep the copies available for use by authorized campaign staff and volunteers. If possible, keep the originals in a secure location, preferably off-site.
- ❖ Be prepared to produce the copies or the originals of all documents upon request by the CFB.
- ❖ Create organized filing systems for storing paper **and** electronic documents. Post procedures so all staff and volunteers can easily follow them. Campaign staff, volunteers, and CFB auditors should be able to find what they need quickly and easily.
- ❖ Train staff and volunteers to follow your filing procedures even during the campaign’s busiest periods.

C-SMART

This section includes some tips on using C-SMART to support your campaign’s internal control procedures.

- ❖ Contact your Candidate Services liaison to sign up for a C-SMART training, which is required for all participating campaigns. Ensure that staff members receiving training have the necessary skills to perform data entry properly. Encourage them to contact Candidate Services with questions.
- ❖ Enter all required data into C-SMART as soon as possible after receiving a contribution or incurring an expenditure. Double-check the spelling of all names and the accuracy of dollar amounts; this can prevent problems later.
- ❖ After data entry, reconcile the C-SMART entries to make sure they match the backup documentation (checks, contribution cards, etc.). C-SMART reports, such as the Itemized Contributions and Itemized Expenditures reports will be helpful in this process. Taking this step will ensure accuracy and completeness. The person who performs the reconciliation should not be the person responsible for entering data into C-SMART. This separation of duties serves as a check and balance on your financial procedures.



CONTACT US

Contact your Candidate Services liaison for guidance at (212) 409-1800 or at candidateservices@nyccfb.info.

For Campaign Internal Use Only
CAMPAIGN EVENT CONTRIBUTIONS LOG

Event Date: _____ Event Location: _____ Log Prepared By: _____

Item #	Contributor Name (double-check spelling)	Contribution Type (circle one)	Check or Money Order #	Amount	Has all required documentation been received?	Is follow-up needed?
1		check • cash • money order • credit card			yes • no	yes • no
2		check • cash • money order • credit card			yes • no	yes • no
3		check • cash • money order • credit card			yes • no	yes • no
4		check • cash • money order • credit card			yes • no	yes • no
5		check • cash • money order • credit card			yes • no	yes • no
6		check • cash • money order • credit card			yes • no	yes • no
7		check • cash • money order • credit card			yes • no	yes • no
8		check • cash • money order • credit card			yes • no	yes • no
9		check • cash • money order • credit card			yes • no	yes • no
10		check • cash • money order • credit card			yes • no	yes • no
Total Contributions, this page				\$		
Subtotals, this page				\$		
				\$		
				\$		
				\$		
				\$		
Number of items:				GRAND TOTAL	\$	

For Campaign Internal Use Only

CHECK AUTHORIZATION FORM

Date: _____ Form Prepared By: _____

1) Check to be paid to:

Company or Individual Name _____

Address _____

City/State/Zip _____

2) Check amount: \$ _____

3) Check number: _____

4) Is an original invoice or receipt attached? Yes No (circle one)

If not, explain what documentation exists to prove that a good or service was provided and received.

Attach a copy of that documentation to this form.

5) Item(s) or service(s) purchased:

6) Purpose of expenditure:

7) Authorizations:

I authorize this expenditure on behalf of the John Q. Public Campaign.

Signed (1st level authorization)

Signed (2nd level authorization)

Print Name

Print Name

Title (Treasurer, Candidate, Manager)

Title (Treasurer, Candidate, Manager)

8) Hand Delivery:

Is the check to be **hand-delivered**? If so, signature of the campaign representative who will deliver it, and the date that person was given the check:

Signed

Date

Glossary

Advance Purchase ([page 53](#)) – a campaign-related expense paid for by an individual using his or her personal funds with the expectation of repayment.

Advance Repayment ([page 53](#)) – reimbursement your campaign makes to the advancer of a campaign-related expense.

Advisory Opinion – a document issued by the Board to clarify the Act and Rules, usually issued at the request of a campaign or other interested party.

Affiliated Contributor/Contribution ([page 12](#)) – combination of a contribution from a contributor and an entity that he or she owns or has significant decision-making control over.

Amendment ([page 69](#)) – a modified disclosure statement submitted by a campaign to correct errors and/or omissions in the original disclosure statement.

Backup Documentation ([page 61](#)) – documentation which demonstrates the validity of monetary contributions claimed for matching funds. Backup documentation includes copies of checks, contribution cards, money orders, and credit card processing information, and is submitted with each disclosure statement.

Bill – a liability (debt) incurred by the campaign for goods or services.

C-Access ([page viii](#)) – the personalized CFB website and online portal that gives you secure access to your campaign's financial and committee information, where you will receive notices regarding compliance and public funds eligibility.

C-SMART ([page viii](#)) – the financial reporting application you use to record your campaign's financial activity and submit disclosure statements to the CFB.

Campaign Finance Act (the Act) ([page viii](#)) – the law that regulates how the Campaign Finance Board operates and how the Campaign Finance Program is run. The Act contains the regulations, limits, and prohibitions that apply to all candidates for mayor, public advocate, comptroller, borough president, and City Council member, as well as the requirements governing candidates who join the Campaign Finance Program.

Campaign Finance Program (the Program) ([page vi](#)) – the system established by the Act and administered by the CFB that allows eligible candidates running for New York City office to have contributions to their campaigns from individual New York City residents matched with public funds.

Campaign-Related Expenditure ([page 28](#)) – an expenditure a campaign is permitted to make under the Act that helps further the candidate's nomination or election to office.

Campaign-Sponsored Event ([page 19](#)) – a fundraising event paid for in whole or in part by your campaign.

Certification ([page 77](#)) – the document used by a candidate to voluntarily join the Program.

Citywide Office – an office in which candidates are selected by voters in all five boroughs.

Compliance Visit ([page 77](#)) – an on-site visit by the CFB to review a campaign’s compliance with the CFB’s requirements.

Consultant ([page 30](#)) – a vendor who provides professional or expert advice to your campaign in a particular area.

Contribution ([page 7](#)) – any gift, subscription, advance, or deposit of money or anything of value made in support of your candidate.

Contribution Card ([page 18](#)) – a document completed and signed by an individual contributor making a monetary contribution to your campaign to verify information about the contribution.

Contribution Limit ([page 10](#)) – the total amount you may accept from a single contributor per election cycle.

Covered Office – an elected office that is subject to the Act and under the jurisdiction of the CFB. The five covered offices are mayor, public advocate, comptroller, borough president, and member of the City Council.

Debate Program ([page 90](#)) – the public education program for citywide candidates run by the CFB with civic and media partners.

Disclosure Statement ([page 57](#)) – a report prepared and submitted by your campaign using C-SMART to disclose all financial activity that takes place within a reporting period.

Doing Business Database (DBDB) ([page 10](#)) – a computerized database maintained by the city containing the names of individuals and entities that do business with the City of New York.

Election Cycle ([page vi](#)) – the four-year period during which campaigns report their finances to the CFB.

Employer Identification Number (EIN) ([page 2](#)) – a unique, nine-digit number assigned by the IRS for tax filing and reporting purposes. You must obtain an EIN for your committee to open a bank account.

Exempt Expenditure ([page 45](#)) – a narrow set of campaign spending that does not count toward your campaign’s expenditure limit.

Expenditures ([page 27](#)) – payments and liabilities you make to further your campaign.

Expenditure Limit (spending limit) ([page 40](#)) – the maximum amount your campaign can spend during a particular part of the election cycle.

Fair Market Value ([page 16](#)) – the value of a good or service as available to the general public.

Filer Registration (FR) ([page 3](#)) – the form you use to register with the CFB to allow you to submit disclosure statements.

Forgiven Loan ([page 23](#)) – a loan that the lender agrees to let the campaign keep without repayment either in whole or in part.

Fundraising Agent ([page 20](#)) – a paid or volunteer full-time campaign staff member or commercial fundraising firm retained to solicit and accept contributions on behalf of your campaign.

In-kind Contribution ([page 16](#)) – a good or service donated to your campaign free of charge or at a discount that is not available to the general public.

Independent Expenditure ([page 49](#)) – spending by an individual or entity on behalf of your campaign without your campaign’s cooperation, approval, or involvement.

Intermediary ([page 20](#)) – a person or entity who solicits and/or delivers contributions to your campaign where such solicitation is known to the candidate or the campaign.

Invalid Matching Claim(s) (IMC) ([page 66](#)) – a claim for public funds that the CFB has found to be not matchable for a particular reason.

Invalid Matching Claims Report (IMC Report) ([page 74](#)) – a list of all matching claims found to be not matchable by the CFB and the reasons for those findings.

Joint Expenditure ([page 46](#)) – a purchase of goods or service by two or more campaigns.

Limited Participant – a candidate who files a certification to join the Program but will entirely self-finance his or her campaign. Limited participants are not eligible to receive public funds, but are still subject to the Program’s spending limits. Limited participants cannot accept contributions from any source other than the candidate.

Matchable Contribution ([page 74](#)) – a contribution from an individual New York City resident that is eligible to be matched with public funds.

Matching Claim – a monetary contribution you seek to have matched with public funds.

Matching Rate ([page 72](#)) – formula at which contributions from individual New York City residents will be matched with public funds. Currently, the rate is \$8 in public funds for every \$1 raised.

Monetary Contribution ([page 14](#)) – a campaign contribution made by check, cash, money order or credit card.

Non-Campaign Related Expenditure ([page 28](#)) – an expenditure that cannot be made using campaign funds.

Non-Participant ([page vii](#)) – a candidate who does not participate in the Program.

Non-Qualified Expenditure ([page 85](#)) – an expenditure that, while campaign-related, cannot be paid for using public funds.

Outstanding Liability ([page 17](#)) – a bill that has not been paid by the time the reporting period ends and the disclosure statement is submitted.

Participant ([page 77](#)) – a candidate who files a Certification to voluntarily join the Program.

Petty Cash ([page 54](#)) – cash fund of no more than \$500 which may be used to make small cash purchases not exceeding \$100 per transaction.

Public Funds Maximum ([page 79](#)) – the most money that a campaign can receive in public funds per election.

Public Funds ([page 71](#)) – taxpayer money used to match eligible contributions that is calculated by multiplying a campaign’s valid matching claims by the matching rate.

Qualified Expenditure ([page 83](#)) – an expenditure that can be paid for with public funds.

Reporting Period ([page 60](#)) – the date range covered by a particular disclosure statement.

Sole Proprietorship ([page 8](#)) – a business that is wholly owned by a single person and where there is no legal distinction between the owner and the business.

Subcontractor ([page 38](#)) – an individual or entity hired by a vendor to perform work contracted between the vendor and your campaign.

Threshold ([page 74](#)) – the two-part criteria demonstrating a minimal level of support that a participant must meet to be eligible to receive public funds.

Transaction ID ([page 4](#)) – the unique identification number generated and automatically assigned by C-SMART to each entry.

Transfer ([page 13](#)) – movement of money from another committee you authorized to your current committee or contributions to or from a local or national political party.

Voter Guide ([page 89](#)) – a publication distributed in print, video, and online by the CFB before the primary and general elections to provide voters with information about municipal candidates, local ballot proposals, and assistance with voting.