

Audit at a glance

Fair Elections Fund

MAY 2022

ABOUT | In 2018, Denver voters created the Fair Elections Fund to publicly finance some campaigns and promote fairness and equity in municipal elections. The fund is meant to empower average residents and reduce the influence of large donations.

The upcoming April 2023 municipal election is the first in which candidates can qualify for and receive public matching funds.

The City and County of Denver sets aside some General Fund dollars to support the Fair Elections Fund. Participating candidates agree to subject themselves to lower campaign contribution limits and they must accept only smaller donations. In return, the Fair Elections Fund will provide those candidates with matching contributions of nine times the amount of each eligible small-dollar donation they collect.

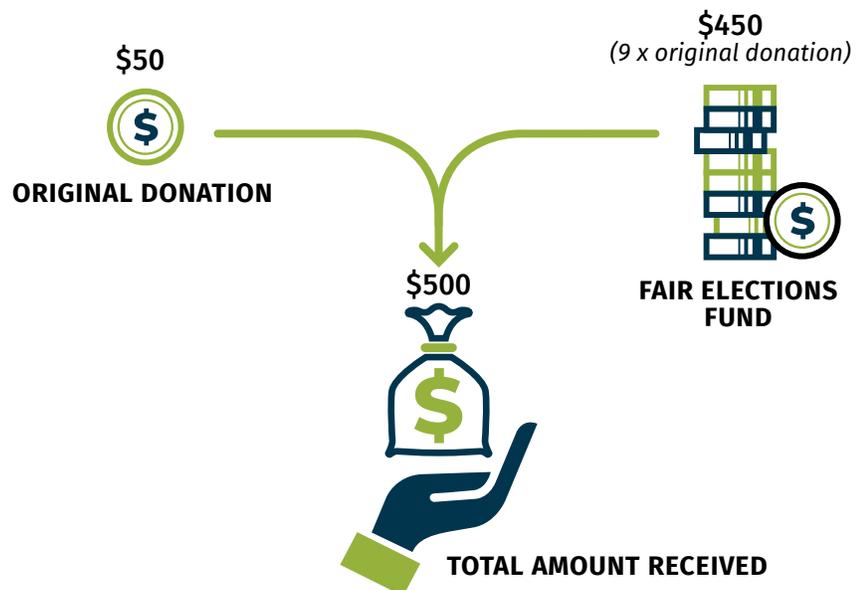


In the report

FINDING: The Clerk and Recorder's Office Lacks Fully Developed Policies and Procedures to Administer the Fair Elections Fund

- As of early February 2022, the office did not have a comprehensive set of approved and documented policies and procedures to ensure it:
 - Verifies that campaign contributions to participating candidates come from valid sources.
 - Accurately pays out matching funds when it begins doing so in August 2022.
 - Consistently, and within the required time, trains candidates seeking certification to participate in the Fair Elections Fund.

Example of How the Fair Elections Fund Matches Campaign Contributions



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OVER
FOR
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Source: Created by Auditor's Office staff using information from the Clerk and Recorder's Office.

Timothy M. O'Brien, CPA | Denver Auditor

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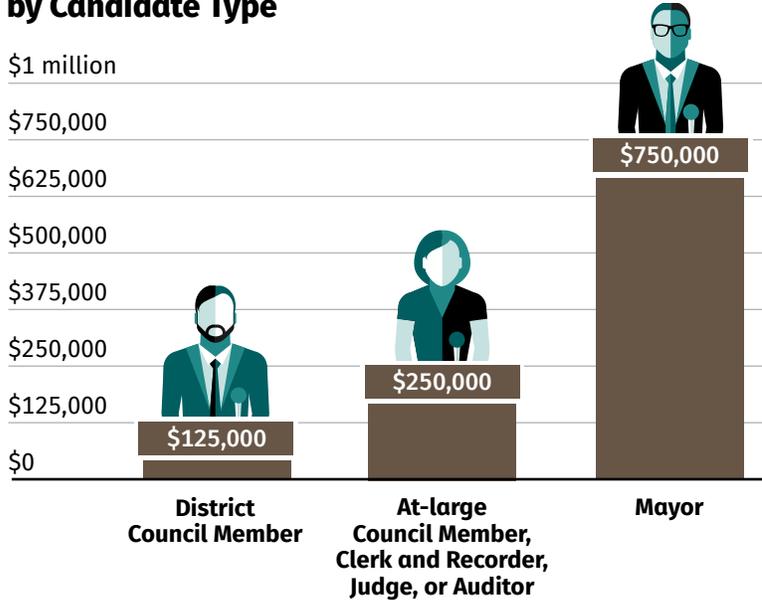
Fair Elections Fund

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- While the office had taken positive steps to create some required policies, significant gaps remained as of the end of our audit fieldwork.
- Additionally, the office did not finalize policies and procedures before launching its new campaign finance system, SearchLight Denver, in late February 2022.

- Because Denver's next municipal election is less than a year away, the Clerk and Recorder's Office needs a comprehensive set of policies and procedures as soon as possible, so it can sufficiently oversee the Fair Elections Fund and ensure the fund has the impact voters intended by empowering residents and reducing the influence of large donations.

Maximum Possible Public Financing from the Fair Elections Fund, by Candidate Type

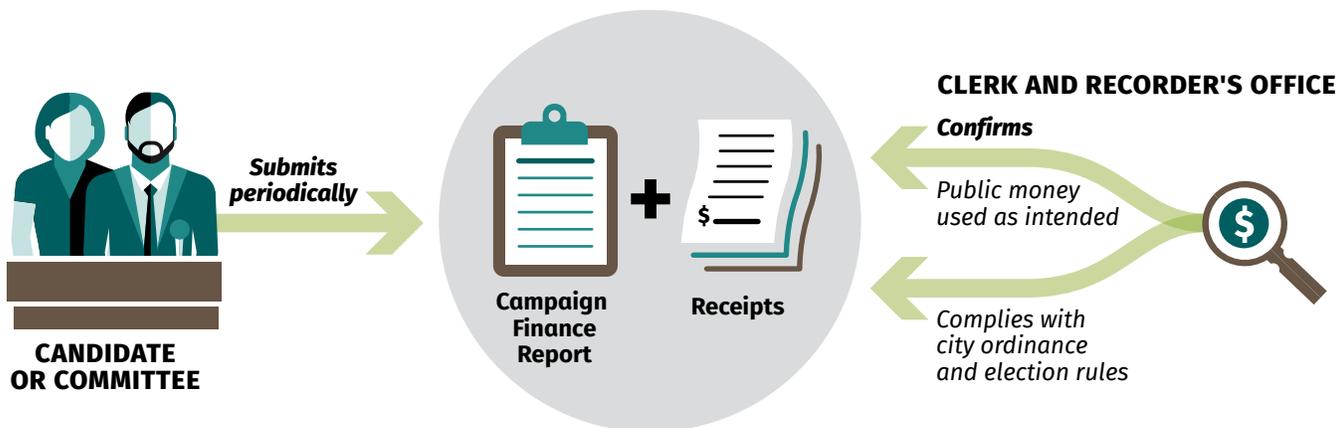


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FINDING: The Clerk and Recorder's Office Has No Strategy to Evaluate the Success of the Fair Elections Fund

- As of early February 2022, the Clerk and Recorder's Office did not have a plan to evaluate whether the fund is successful in achieving the goals Denver voters intended.
- Without such a plan, city staff cannot assess the program, leverage data to improve how the fund operates, or share results and promote transparency with the public.
- Federal guidance says program evaluation plans should be created while a program is designed — and before it is implemented. Based on that, the Clerk and Recorder's Office needs its evaluation plan in place no later than August 2022.
- Additionally, having a plan to communicate any issues the city uncovers when evaluating the program will strengthen how the Fair Elections Fund is managed and promote transparency — a core value of the city's campaign finance unit.

Campaign Finance Reporting Process for Candidates Who Receive Matching Public Funds



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