



STATE ELECTIONS ENFORCEMENT COMMISSION

POST-ELECTION AND TERMINATION INFORMATION FOR 2014 SPECIAL ELECTIONS

This fact sheet is intended to assist both participating and nonparticipating candidate committees with the termination process, but does not provide legal advice.

It is not intended as a definitive interpretation of either Connecticut campaign finance laws concerning termination as found in Chapters 155 and 157 of the Connecticut General Statutes or the SEEC regulations.

Please contact your Candidate Services Liaison at 860-256-2985 if you have any questions or concerns regarding committee termination or any of the topics discussed.

Post-Election Expenditures

Participating Candidates who Received Grants

Committees of participating candidates who have received grants from the CEF are **strictly limited** in making post-election expenditures. Such candidates are permitted to make limited expenditures for winding-up the campaign including paying for:

- utility bills, rent and other unpaid liabilities;
- costs for photocopying campaign financial records in preparation for a possible post-election audit;
- reasonable moving expenses related to closing campaign office space;
- staffing for a short time after the election for reasonable costs related to winding up the committee;
- a post election payment of up to \$1,000 to your campaign treasurer for campaign services rendered;
- a post election thank you meal for committee workers so long as it is held within 14 days of the election and is limited to \$30 per worker; and
- thank you notes and advertising (limited to **\$750** for state senator candidates and **\$250** for state representative candidates).

Please Note: Participating candidates who have received grant monies may **not** use campaign funds to pay for **bonus payments** for staff or volunteers. Notwithstanding this general rule, pursuant to Public Act 11-48, participating candidates may make a post-election payment of up to \$1,000 to their campaign treasurer for services rendered. A participating candidate may use committee funds to pay for a post-election thank you meal for committee workers if it is held on or before the 14th day following the election and the cost of the meal is limited to no more than \$30 per person. Campaign funds may **not** be used for post election **parties or events held later than 14 days after the election.**



Nonparticipating Candidates and Participating Candidates who Did Not Receive Grants

Committees of nonparticipating candidates and participating candidates who did not receive CEP grants are not subject to CEP requirements regarding post-election spending. However, such candidates are subject to statutory requirements concerning surplus distribution. Such candidates are permitted to make nominal expenditures for winding-up the campaign (as described above) and also may make reasonable expenditures for transition costs and inaugural activities (if elected) as well as reasonable post election “thank you” parties or events for campaign supporters or workers.

Obtaining and Keeping Copies of all Records

- Prior to termination, obtain copies of **all** checks written by the committee as well as all checks received as contributions and keep those copies in the committee records. It is best to start this process as early as possible, as banks do not always maintain copies of checks indefinitely.
- The cost to obtain copies from the campaign’s depository or another source is a permissible campaign expenditure.
- The treasurer must keep copies of all committee records for four years. If the candidate prefers to keep these records instead, she may obtain them from the treasurer and assume this recordkeeping responsibility. Candidate committee funds may not be used for storage. Contact your Candidate Services Liaison with any questions about recordkeeping.

Treasurer’s Best Practices

- Review all expenditures incurred or obligated to be made, and follow up with the vendors or service providers to make sure the committee pays all outstanding payments before terminating and closing down the bank account.
- Keep contact information for all election-day workers and make sure they promptly cash compensation checks.
- Track all outstanding committee checks and urge vendors to cash these promptly.
- Keep campaign depository account open until all committee checks, including surplus distribution check(s), have cleared.

Filing Schedule

- Deadline for Deficit filing (if applicable): **May 27, 2014**
- Final Deadline for Distribution of Surplus if **not** notified of SEEC Audit: **May 26, 2014**
- Final Deadline for Termination Report if **not** notified of SEEC Audit: **June 2, 2014**
- Final Deadline for Distribution of Surplus if notified of SEEC Audit: **June 25, 2014**
- Final Deadline for Termination Report if notified of SEEC Audit: **July 2, 2014**



Timing of Termination

When the special election is over, candidate committees may file a termination report at any time between February 26, 2014 and June 2, 2014 (if not notified of SEEC Audit) OR July 2, 2014 (if notified of SEEC Audit).

However, a candidate committee **cannot** terminate until it has:

1. paid all expenses previously incurred but not yet paid;
2. sold equipment purchased by the committee (or distributed, if applicable);
3. distributed surplus funds (if any) according to the law; or
4. eliminated deficit (if any) according to the law.

Once a candidate committee has distributed its surplus it has seven (7) days to file its termination statement.

CAUTION: If it appears that any committee check may not clear before the final distribution deadline, call your candidate services liaison to discuss your options.

Sale of Committee Equipment

After the election, the law **requires** candidate committees to sell their surplus equipment (e.g. furniture, computers, cameras, fax machines, printers, cell phones) prior to termination. These items must be sold at fair market value and the campaigns should use their best efforts to reasonably estimate this value. Committees can look to the marketplace (by contacting vendors and/or looking to the Internet) to determine the current average cost of the item. The law permits sale of these items to **any person**, which includes sale to individuals (including the candidates), committees, corporations, partnerships, organizations, or associations.

The candidate committee should keep an internal record of how fair market value was determined as well as a receipt for the sale. The proceeds from the sale of these items are reported in **Section I** (Miscellaneous Monetary Receipts not Considered Contributions) of **SEEC Form 30**. In the “Description” field, the treasurer should provide a brief description of each item sold as well as the original purchase date.



Sample Section I. – SEEC Form 30

I. Miscellaneous Monetary Receipts not Considered Contributions					
Name Al Candidate			Date of Transaction 3/2/2014		Amount Received 700
Street Address 123 Fair Drive		City West Hartford	State CT	Zip Code 06107	
Description Sale of computer purchased by committee on 1/15/2014					
Name Charles Darwin			Date of Transaction 3/5/2014		Amount Received 450
Street Address 40 Main Street		City West Hartford	State CT	Zip Code 06107	
Description Sale of desk and chair purchased by committee on 1/10/2014					
Name Al Candidate			Date of Transaction 3/8/2014		Amount Received 350
Street Address 123 Fair Drive		City West Hartford	State CT	Zip Code 06107	
Description Sale of networked phones (7) plus file server purchased by committee from AT&T on 1/11/2014					

Please Note: Prior campaign assets such as lawn signs and campaign paraphernalia are not considered equipment and may be stored for use in future elections. *See Advisory Opinion 2008-02: Treatment of Prior Assets Used by Candidate Committee in Current Election Cycle.* The candidate committee may **not** pay to store lawn signs or campaign paraphernalia after the election. *As a general rule a committee does not need to sell items that have a fair market value of less than fifty dollars (\$50).* Nonparticipating candidates and participating candidates who did not receive grant monies may also distribute their equipment directly to a 501(c)(3) or 501(c)(19). The committee treasurer should keep internal records to document all surplus distributions including distributions of surplus money and surplus equipment.

Distribution of Surplus Funds

Participating Candidates Who Received Grants

Prior to termination, candidates participating in the Citizen Election Program (the “Program”) who have received grant monies must pay all outstanding debts, sell equipment (as described above) and **distribute all surplus funds** remaining in their bank accounts including interest earned to the **Citizens’ Election Fund (“CEF”)**.

The candidate committee treasurer should draft a check payable to the “CEF” and indicate on the memo line that the check represents “Distribution of surplus.” The check and a simple cover letter (including the committee’s name, candidate’s name, and treasurer’s name) should be sent to the SEEC to:
Campaign Disclosure & Audit Unit, 3rd Floor, 20 Trinity St., Hartford, CT 06106-1628.

As noted above: Once a committee has distributed its surplus it has **seven (7) days** to terminate by filing a termination statement using **SEEC Form 30**. This statement must report the distribution of surplus in **Section N (Expenses Paid by Committee)** using the code **SRPLS**. *The final balance on the Termination Statement summary page must be zero in order for termination to be effective.*



The deadline for a candidate committee **not** notified of SEEC Audit to distribute its surplus is **May 26, 2014** and the deadline to file the termination statement is **June 2, 2014**.

The deadline for a candidate committee notified of SEEC Audit to distribute its surplus is **June 25, 2014** and the deadline to file the termination statement is **July 2, 2014**.

Keep campaign depository open until all checks including the final surplus distribution check have cleared.

Nonparticipating Candidates and Participating Candidates Who Did Not Receive Grants

Prior to termination, **nonparticipating candidates** and **participating candidates who did not receive grant monies** must pay all outstanding debts, distribute equipment (as described above) and **distribute all surplus funds** remaining in their bank accounts to either:

1. the CEF (as outlined above); or
2. **a charitable organization under section 501(c)(3) or 501(c)(19) of the Internal Revenue Code.**

Please Note: A committee is responsible for determining whether an organization is a 501(c)(3) or 501(c)(19) organization prior to distributing any surplus funds to said organization.

As noted above: Once a committee has distributed its surplus it has **seven (7) days** to terminate by filing a termination statement using **SEEC Form 30**. This statement must report the distribution of surplus in **Section N (Expenses Paid by Committee)** using the code **SRPLS**. ***The final balance on the Termination Statement summary page must be zero in order for termination to be effective.***

The deadline for a candidate committee not notified of SEEC Audit to distribute its surplus is **May 26, 2014** and the deadline to file the termination statement is **June 2, 2014**. If the candidate committee has been notified of a SEEC Audit, the committee must distribute its surplus by **June 25, 2014** and file the termination statement by **July 2, 2014**.

Keep the campaign depository open until all checks including the final surplus distribution check(s) have cleared.

Deficits

Participating Candidates

Participating candidates who have received grant monies should not have a deficit after the election. There is an exception to this principle for **certain minor party and petitioning candidates who received a 1/3 or 2/3 grant**. These candidates are allowed to raise “differential contributions” (i.e. additional qualifying contributions), to make up the difference between the initial grant amount received and the amount of a full (100%) grant. In addition, these candidates may incur expenditures before having raised such funds, and thus may face a deficit after the election. These candidates have several options: (1) they can raise additional differential contributions in order to pay off the deficit; (2) in some instances, they may qualify for a post-election grant; or (3) they may use the proceeds from the sale of surplus equipment to pay off a deficit.



A minor party or petitioning candidate who qualifies for a partial initial grant (i.e. a 1/3 or 2/3 grant) may receive a supplemental post-election grant if the minor party or petitioning candidate receives a greater percentage of votes cast for all candidates for that office than the percentage of votes or signatures such candidate used to qualify for the grant. To receive a post-election grant, such candidate's campaign must be in compliance with all Program rules, report a deficit in the campaign finance disclosure statement filed after the date of the general election, and have documented outstanding expenditures which were made to further the candidate's election.

Please Note: If you determine that your candidate committee has a deficit, please contact your Candidate Services Liaison and they will assist you with the post-election process.

Nonparticipating Candidates

The committee of a nonparticipating candidate must remain in existence until it eliminates its deficit and may continue to raise funds after the election to do so. In addition to the "paid for by" and "approved by" attributions, any solicitation by written communication for contributions to pay down a deficit must include a statement that the funds sought are to eliminate a deficit.

Please Note: Any deficit contributions count towards a contributor's contribution limits and are not subject to a separate limitation. Accordingly, a contributor that has already reached his or her contribution limit during the election cannot contribute to eliminate your deficit.

The treasurer of a candidate committee with a deficit must file a deficit statement using the SEEC Form 30 by **May 27, 2014** indicating the amount of the deficit and including an itemized accounting of all receipts and expenditures since the committee's last financial statement. After this initial deficit statement, the treasurer is required to file an additional statement on the 7th day of any succeeding month when there is an increase or decrease in the deficit that is greater than \$500 from the last filed disclosure statement. The filing deadline for such a supplemental deficit statement is on the 7th day of the next succeeding month.

The treasurer must file a final termination statement using SEEC Form 30 on the **7th day of the next succeeding month** following elimination of the deficit.

For questions about post-election or termination issues, contact your Candidate Services Liaison at (860) 256-2985.