



EXPLORATORY DISSOLUTION/CANDIDATE COMMITTEE FORMATION *A Checklist for Candidates who Intend to Participate in the Citizens' Election Program*

This checklist is intended only as a guide for candidates who are dissolving an exploratory committee and transitioning into a participating candidate committee. This checklist does not replace laws and regulations relating to these topics.

Contact Candidate Services at 860-256-2985 or Legal Compliance at 860-256-2925 with any questions.

Triggering Events Necessitating Dissolution of an Exploratory Committee

- Candidate makes a [public declaration](#)* of his/her intent to seek nomination or election to a particular public office; OR
- Candidate receives endorsement for a particular public office at a convention, caucus or town committee meeting; OR
- Candidate files candidacy for nomination under Section [9-400](#) or [9-405](#) of the General Statutes (forcing a party primary); OR
- Candidate decides, before any triggering event mentioned above, to terminate the exploratory committee and form a candidate committee for a particular public office in the same election cycle.

*See [Declaratory Ruling 2009-01: "Public Declarations by Candidates in an Exploratory Committee,"](#) available at the Commission's website www.ct.gov/seec.

Best Practice: Open up a depository account and form a candidate committee AS SOON AS POSSIBLE after the triggering event. This allows the campaign to continue without interruption, provides a place to deposit the surplus and any other newly arrived contributions, and helps to avoid running afoul of the statutory deadlines.

Best Practice: Distribute the exploratory committee's surplus as soon as possible after opening the new candidate committee account and file the committee's termination [Itemized Campaign Finance Disclosure Statement](#) (SEEC Form 30) at the same time as the [Exploratory Committee Notice of Intent to Dissolve](#) (SEEC Form 5) is filed, i.e. within 15 days of the triggering event.

Required: Within 15 days of any of the triggering events listed above, the candidate must file a [SEEC Form 5](#) with the Commission. The candidate may take up to an additional 15 days to form a candidate committee. During this time, the exploratory committee must distribute its surplus to the candidate committee or the Citizens' Election Fund ("CEF"), as the case may be, and file a termination [SEEC Form 30](#). **This filing terminates the exploratory committee and should disclose the exploratory committee's distribution of surplus to the candidate committee or the CEF.**

Remember: The 14-day rule for treasurers to deposit contributions still applies. Contributions made *after* the triggering event should *not* be deposited in the exploratory committee's depository account, but instead should be deposited in the newly formed candidate committee depository account. If a contribution is made and received after the triggering event then the treasurer must open a depository account within fourteen days and deposit the check, regardless of the time periods for filing a termination [SEEC Form 30](#).

Four Questions to Ask Prior to Dissolution

Question 1

Does the exploring candidate intend to carry forward to the candidate committee goods or services purchased or pre-paid during the exploratory committee's existence, such as a headquarters lease?
SEE [CARRYING FORWARD](#) section.

Question 2

Did the exploring candidate benefit from any expenditures made or incurred to promote the candidate's primary or general election during the exploratory committee's existence that fall outside appropriate activities of an exploratory committee, which include communicating with potential nominating authorities, soliciting funds, polling or otherwise testing the waters?
SEE [CARRYING FORWARD](#) section.

Question 3

Will the exploratory committee have surplus funds after paying all its obligated expenses?
SEE [SURPLUS DISTRIBUTION](#) section.

Question 4

Will the exploratory committee be in DEFICIT after paying all of its obligated expenses?
SEE [DEFICIT](#) section.

Dissolving the Exploratory Committee: Basic Reporting Requirements

For the Candidate:

- Notify the campaign treasurer when you are ready to dissolve the exploratory committee.
- Complete and sign SEEC Form 5, [Exploratory Committee Notice of Intent to Dissolve](#).
- File [SEEC Form 5](#) with the State Elections Enforcement Commission, Campaign Disclosure and Audit Unit, Third Floor, 20 Trinity Street, Hartford, CT 06106, no later than 15 days of an event triggering dissolution.

For the Campaign Treasurer:

- Complete, sign, and file SEEC Form 30, [Itemized Campaign Finance Disclosure Statement for Candidates for Statewide Offices and General Assembly](#), **when the distribution of surplus is complete, and in no case later than 30 days after the triggering event that necessitated the dissolution of the exploratory committee.**
- Mark the TERMINATION box in Section 9 of the cover summary page of the [SEEC Form 30](#), if filing by paper, OR
- Select Non-Standard Report and then Termination for Type of Report on the [eCRIS](#) Reporting Home page, if filing electronically via [eCRIS](#).

Period Covered

- Report all activity of the exploratory committee beginning with the last day not covered by the previous exploratory committee [SEEC Form 30](#) through the day before it is filed with the Commission; OR
- If the committee raised and/or spent less than \$1,000 in prior filing periods and previously filed [Short Form Campaign Disclosure Statement\(s\)](#), (SEEC Form 21), report all activity from the date of exploratory committee's first contribution received or expenditure made through the day before the report is filed with the Commission.
- The period should close on midnight of the day before you are submitting the statement. If filing via [eCRIS](#), the closing date of the period cannot be the same day that you submit the report electronically. If hand-delivering the [SEEC Form 30](#), the closing date of the period cannot be the same as the day you hand-deliver the disclosure statement.

Exploratory Committee Depository

- Keep the exploratory committee depository open until all committee checks written, including the surplus distribution check(s), have been presented and honored by the bank.
- Do not make any expenditures for the candidate committee from the exploratory committee depository, except to distribute surplus.
- Do not deposit any contributions made after the triggering event into the exploratory committee depository. Either deposit any new checks into the newly formed candidate committee depository account or return them, if appropriate, to the contributor.

Recordkeeping

- Obtain and keep copies of documentation for all exploratory committee transactions.
- The treasurer (or candidate, if so desired) must keep the committee [records](#)* for FOUR YEARS from the date of the termination filing.

*See [Treasurer's Best Practices Checklist Records Treasurers Must Obtain, Copy and Keep](#), available at the Commission's website www.ct.gov/seec.

Forming the Candidate Committee

For the Candidate:

- Promptly designate a campaign treasurer and committee depository for the candidate committee.
- Designating a deputy treasurer is also **highly** recommended.
- Obtain the signature of the designated treasurer and deputy treasurer on SEEC Form 1/1A, [Registration by Candidate](#).
- Register the candidate committee by filing [SEEC Form 1/1A](#) with the Commission no later than 30 days after the triggering event that necessitated the dissolution of the exploratory committee.

For the Candidate Committee Campaign Treasurer:

- Open the candidate committee depository account **as soon as possible**. The account may be with the same institution where the exploratory committee maintained an account, but the candidate committee must open a *new* account.
- Obtain surplus distribution check(s) and qualifying contribution documentation (if applicable) from the exploratory campaign treasurer.
- Within 14 days of your receipt, deposit surplus distribution check(s) into the candidate committee depository. The same rule applies to any other post-trigger contributions.
- Report the receipt of surplus funds from the exploratory committee in Section C2, “Reimbursements or Payments from other Committees,” in the candidate committee’s first itemized campaign finance disclosure, [SEEC Form 30](#).

Carrying Forward Goods & Services from Exploratory to Candidate Committee

- If the exploring candidate intends to carry forward to the same candidate’s candidate committee goods or services purchased or pre-paid by the exploratory committee or any of the other items listed below, **a detailed letter must accompany the exploratory committee’s termination** [SEEC Form 30](#). In that letter, the campaign treasurer must identify:
 - ✓ Any durational agreement, such as a lease for headquarters, or ongoing consultant contract;
 - ✓ Purchase or lease for equipment, furniture, or leased vehicle with a cost of \$250 or more;
 - ✓ Purchases made for advertising to be used by the candidate committee (advance payments for ads, mailers, palm cards, website, etc.);
 - ✓ Advertising expenditures made by the exploratory committee solely to aid or promote the candidate’s primary or general election (as opposed to expenses incurred for permissible activities of an exploratory committee such as communicating with potential nominating authorities, soliciting funds, polling or otherwise testing the waters); and
 - ✓ Prepaid postage or supplies, or a website or web domain name, or other items for which the exploratory committee had paid.
- The letter accompanying the exploratory committee’s termination [SEEC Form 30](#) should **also** list any additional expenditures of the exploratory not previously reported, such as anticipated costs of wrapping up the exploratory committee, and whether such expenses should be attributed to the exploratory or candidate committees, or in part to both.

Reporting Sale of Equipment, Furniture, or Supplies by Exploratory Committee

Exploratory committee may choose to sell for fair market value to permissible recipients the equipment, furniture or supplies it purchased.

- Report the sales of the items in Section S, “Surplus Distribution of Equipment and Furniture.”

- Report the proceeds from such sales in Section I, “Miscellaneous Monetary Receipts Not Considered Contributions.”
- Include the proceeds in a distribution check written to the candidate committee or the Citizens’ Election Fund, as appropriate. For candidates who have documented Qualifying Contributions that exceed the cash on hand in the exploratory committee at the time of dissolution, the assets of the exploratory committee can be sold and proceeds rolled over to the candidate committee up to the amount of the difference between the cash-on-hand and the documented Qualifying Contributions. Report the distribution check in Section N, “Expenses Paid by Committee.” The Expenditure Code is SRPLS.
- If the exploratory committee chooses not to sell the equipment, furniture or supplies it purchased, but instead chooses to transfer ownership of such items to the candidate committee, this should be documented in the letter accompanying the termination [SEEC Form 30](#).

Exploratory Committee Surplus Distribution

Exploratory Committee Treasurer:

- Write a committee check to distribute the portion of the surplus that fit the description of Qualifying Contributions to the candidate committee.
- Write a committee check to distribute the portion of the surplus representing excess qualifying contributions or non-qualifying contributions (contributions from party committees and political committees, individual contributions exceeding \$100, liquidated in-kind contributions, and so on) to the Citizens’ Election Fund.
- Report the distribution(s) in the exploratory committee’s termination [SEEC Form 30](#).

See [Declaratory Ruling 2007-02, “Citizens’ Election Program: Surplus and Deficit of Exploratory Committees”](#) available at the Commission’s website www.ct.gov/seec.

Reporting Distribution of Surplus

- Report in Section N, “Expenses Paid by Committee,” the committee check(s) distributing surplus to the candidate committee.
- Make photocopies or electronic images of all Qualifying Contribution documentation (make an extra set of copies for your records!), for submission to the Commission together with the exploratory committee’s termination [SEEC Form 30](#).

Attachments to Exploratory Committee’s Termination SEEC Form 30

- Detailed letter about any goods and services carried forward from the exploratory committee to the candidate committee (if applicable);
- Qualifying Contribution documentation: photocopies or CD or flash drive containing electronic copies of all qualifying contribution documentation not already submitted to the Commission; and

- ❑ Check made out to Citizens' Election Fund for proceeds from sales of exploratory committee equipment and furniture (if that sum exceeds the amount for which there are documented Qualifying Contributions) or for excess Qualifying Contributions or non-qualifying contributions (if applicable).

Exploratory Committee Deficit

The exploratory committee deficit carries over and becomes an assumed deficit of the candidate committee, as an "expense incurred but not paid" of the candidate committee. Because the Program has expenditure limits, the transfer of a substantial deficit to the candidate committee may impact a candidate's ability to comply with the limits.

- ❑ **Call the Legal Compliance Unit (860-256-2925) for guidance.**
- ❑ The exploratory committee must file a termination [SEEC Form 30](#), with all applicable attachments, as described above.
- ❑ The candidate committee treasurer must report all liabilities carried over from the exploratory committee in Section Q, "Expenses Incurred by Committee but Not Paid During this Period," of the candidate committee's first itemized campaign finance disclosure statement ([SEEC Form 30](#)).