



STATE ELECTIONS ENFORCEMENT COMMISSION

TERMINATION INFORMATION FOR CANDIDATES FOR JUDGE OF PROBATE, 2010 GENERAL ELECTION

This fact sheet is intended to assist Judge of Probate candidate committees with the termination process, but does not provide legal advice. Note that Judge of Probate candidates are also governed by ethics rules as described at the Connecticut Judicial branch website, <http://www.jud.state.ct.us/probate/candidates/default.htm>

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 if you have any questions or concerns regarding committee termination or any of the topics discussed.

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 primary for reasonable costs related to winding up the committee; and
- “thank you” notes and “thank you” advertising.

In addition, the candidate who is elected to office may authorize the campaign treasurer to expend surplus campaign funds to pay for the cost of clerical, secretarial or other office expenses necessarily incurred by the candidate in preparation for taking office; except that the surplus can NOT be distributed for the personal benefit of any individual, including the candidate, or to any organization. **Committees of candidates for judge of probate are subject to statutory requirements concerning surplus distribution.**

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 after the date the committee files its final disclosure statement. 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 primary day workers and make sure they promptly cash compensation checks.
- Track all outstanding committee checks and urge vendors to cash these promptly.

Post-Election Filing Schedule

- Quarterly Report after November 2nd election: **January 10th Filing**
 - January 10th Filing may also serve as termination statement
 - If a candidate committee files its termination statement prior to December 31, 2010 it will not be responsible for the January 10th Filing
- Final Deadline for Distribution of Surplus: **January 31, 2011**
- Final Deadline for Termination Report: **February 7, 2011**

Timing of Termination

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; and
- (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 options.

Special Instructions for eCRIS Filers

Remember to choose the year **2010** if filing your termination report on or before **December 31, 2010** and choose the year **2011** if filing either the termination or January 10th filing on or after **January 1, 2011**.

If you are filing a January 10th Quarterly Report that is **also** serving as your final termination statement, select **“Deficit or Termination Filing Following General Election”** as the type of report filed.

Sale of Committee Equipment

After the election, candidate committees must sell or distribute 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 sales proceeds are part of the monetary surplus which must be distributed as described below.

Please note: *As a general rule a committee does not need to sell items that have a fair market value of less than fifty dollars (\$50).*

The candidate committee should keep an internal record of how fair market value was determined as well as a receipt for the sale. Where the transaction is not at arms-length, careful documentation about how the treasurer determined fair market value. The proceeds from the sale of these items are reported in **Section K** (Miscellaneous Monetary Receipts not Considered Contributions) of **SEEC Form 20**. In the “Description” field, the treasurer should provide a brief description of each item sold as well as the original purchase date.

Please note: Committees may also distribute their equipment directly to a recipient as described below for distribution of surplus funds. The committee treasurer should keep internal records to document all surplus distribution, including surplus money and surplus equipment.

Distribution of Surplus Funds

Prior to termination, candidate committees must pay all outstanding debts, distribute equipment and **distribute all surplus funds** remaining in their bank accounts to:

(a) An ongoing political committee (so long as such political committee has not been established to finance future political campaigns of the candidate);

Important Note: The Commission has concluded that a political committee is deemed to have been established to finance future political campaigns of a candidate where 26% or more of the committee’s expenditures go to the candidate’s future campaigns.

(b) A party committee (no strings attached or earmarking for later use);

(c) A tax exempt, tax deductible organization under Section 501(c)(3) of the Internal Revenue Code;

Important Note: A committee is responsible for determining whether a group is a 501(c)(3) organization prior to distributing any surplus funds to said group. The IRS maintains a database of 501(c)(3) organizations at <http://www.irs.gov/app/pub-78/>.

(d) All contributors on a pro-rata basis based upon the relationship of the aggregate contribution from a particular contributor to the total of all contributions received by the committee from all contributors; or

(e) The Citizens’ Election Fund.

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 20**. This statement must report the distribution of surplus in **Section P (Expenses Paid by Committee)** using the code **SRPLS**.

The deadline for a candidate committee to distribute its surplus is **January 31, 2011** and the deadline to file the termination statement is **February 7, 2011**.

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



Deficits

The candidate committee 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 **February 7, 2011** 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 20 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.