



# STATE ELECTIONS ENFORCEMENT COMMISSION

## POST-ELECTION AND TERMINATION INFORMATION FOR 2010 GENERAL 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 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 candidates participating in the Citizens' Election Program ("CEP") which have received grants from the Citizens' Election Fund ("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; and
- "thank you" notes and "thank you" advertising (limited to **\$7,500** for a candidate for governor, **\$3,500** for a candidate for other statewide office, **\$1,000** for state senator candidates and **\$500** 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, and may **not** use campaign funds to pay for **parties or events held on or after November 3, 2010**. After the date of the election, a participating candidate may use their own funds to pay for thank-you notes or a party held on or after November 3, 2010, which would not need to be disclosed on the SEEC Form 30.

(See [Election Day Parties Reminder 2010](#) for more information about election day campaign parties)

#### 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), including reasonable expenditures for transition costs and inaugural activities (if elected), as well as reasonable post-election "thank you" notes 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 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 election 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

- *If your campaign is required to file weekly supplemental statements:* **November 4, 2010**
- Quarterly Report after November 2<sup>nd</sup> election: **January 10<sup>th</sup> Filing**
  - January 10<sup>th</sup> 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 10<sup>th</sup> Filing
- Final Deadline for Distribution of Surplus: **January 31, 2011**
- Final Deadline for Termination Report: **February 7, 2011**

## Timing of Termination

When the general election is over, candidate committees may file a termination report at any time between November 3, 2010 and February 7, 2011.

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; 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**

**Participating Candidates and Nonparticipating Candidates:**

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 10<sup>th</sup> filing on or after **January 1, 2011**.

If you are filing a January 10<sup>th</sup> 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, 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. Where the transaction is not at arms-length, careful documentation about how the treasurer determined fair market value becomes even more important in a post-election audit. 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 Richard Hammond		Date of Transaction 11/8/2010		Amount Received
Street Address 123 Main Street	City Hartford	State CT	Zip Code 06106	
Description Sale of Desktop Computer				
				\$ 400.00
Name James May		Date of Transaction 11/16/2010		Amount Received
Street Address 50 Elm Street	City Farmington	State CT	Zip Code 06556	
Description Sale Table, Four Chairs and Floor Lamp				
				\$ 175.00
Name Jeremy Clarkson		Date of Transaction 11/28/2010		Amount Received
Street Address 145 Maple Avenue	City East Hartford	State CT	Zip Code 06102	
Description Sale of Filing Cabinets (5)				
				\$ 500.00



**Please note:** Prior campaign assets such as lawn signs and campaign paraphernalia are not considered equipment and may be stored by the candidate or volunteer 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).* For instructions on how to deal with domain names after the election is over, see [Advisory Opinion 2010-03: Treatment of Domain Names](#).

**Please note:** Committees of nonparticipating candidates and participating candidates who did not receive grant monies may also distribute their equipment directly to a 501(c)(3). The committee treasurer should keep internal records to document all surplus distribution, including surplus money and surplus equipment.

## **Distribution of Surplus Funds**

### **Participating Candidates Who Received Grants**

Prior to termination, candidates participating in the CEP 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 **CEF**.

The candidate committee treasurer should write 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**. *Note that the committee account must show a zero balance on the SEEC Form 30 for termination to be effective.*

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.

### **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) of the Internal Revenue Code**.

**Please note:** A committee is responsible for determining whether an organization is a 501(c)(3) 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 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**

### **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 requirements, 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 he or she 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 **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 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.*