



OKLAHOMA ETHICS COMMISSION

DISSOLVING A CANDIDATE COMMITTEE CHECKLIST

Read through the entire checklist before completing any items and use with the Candidate Guide and Ethics Rules.

ITEM	DESCRIPTION
<input type="checkbox"/> Continue Filing Reports	<p>All committees continue to file reports of Contributions and Expenditures until the Committee is dissolved in accordance with the Rules. Late fees will accrue for late reports.</p>
<input type="checkbox"/> Current or Future Office Holder	<p>Was the candidate elected into the office for which the committee was formed?</p> <p>YES: The candidate may keep the committee open, and use the funds for officeholder expenses or surplus funds, until it is required to dissolve under the Ethics Rules. See <i>Time to Dissolve</i> below for timeframes.</p> <p>NO: Is the candidate currently completing a term of office for which s/he was previously elected?</p> <ul style="list-style-type: none"> Yes. The candidate can use up to the amount of funds transferred from the committee of the campaign for which s/he was elected for officeholder expenses until the term of office is completed. (Example: John Smith was elected to office in 2014 and ran for office in 2016 but lost the election. \$25,000 was transferred from the 2014 committee to the 2016 committee. John Smith’s committee can use up to \$25,000 for 2014 officeholder expenses.) No. The candidate committee has two years after the general election for which the committee was formed to pay off debts, sell assets, dispose of surplus funds, and file a final report with the Ethics Commission.
<input type="checkbox"/> Time to Dissolve	<p>Was the Candidate elected to office?</p> <p>YES: The length of time a candidate committee has to dissolve is tied to the term of office to which the candidate is elected. All dissolution timeframes begin with date of the general election for the election cycle during which the candidate was elected.</p> <ul style="list-style-type: none"> 2 year term: dissolve no later than 2 years after the general election. 4 year term: dissolve no later than 4 years after the general election. 6 year term: dissolve no later than 6 years after the general election. <p>NO: The Committee must dissolve no later than 2 years after the general election for which the committee was formed.</p> <p>90 DAY FORFEITURE RULE: Candidate committees with funds remaining 90 days after the required dissolution date will forfeit the funds to the State of Oklahoma. The 90 day clock starts the day after the required dissolution date.</p>
<input type="checkbox"/> Sell Committee Assets	<p>Does the committee have any of the following items?</p> <ul style="list-style-type: none"> Office equipment (laptops, copier, printer, etc.) Electronics (iPad, cell phones, cameras, etc.) Furniture (desk, chairs, file cabinets, etc.) Appliances (coffee makers, microwave, refrigerator, etc.) Any other tangible asset(s) <p>YES:</p> <ul style="list-style-type: none"> Sell the Assets. Sell the asset(s) for Fair Market Value only—including sale to the candidate, committee officer or family member of the candidate or officer. <ul style="list-style-type: none"> Deposit funds from the sale into the Committee Depository. Report the funds on the Final Report as “other funds.” Transfer Asset(s). Transfer the asset(s), if any, as an “in-kind expenditure” to the candidate’s new committee. Keep records. Keep records of the sale including how the committee determined Fair Market Value. <p>NO: Move on to the next step.</p>
<input type="checkbox"/> Resolve Debt	<p>Does the committee have any of the following?</p> <ul style="list-style-type: none"> Outstanding invoices for services (consulting fees, payroll, etc.) Loans Outstanding invoices for goods (signs, t-shirts, etc.) Any other debt

<p><i>Resolve Debt Continued</i></p>	<p>YES:</p> <ul style="list-style-type: none"> • Sell assets. Pay off the debt through funds raised through sale of assets. See “Sell Committee Assets” section. • Loan Forgiveness. A candidate or other 3rd party can “forgive” a loan to the committee that is unable to be repaid. <ul style="list-style-type: none"> ○ The forgiven debt is considered a contribution to the candidate committee and subject to contribution limits. ○ Forgiveness is reported using the “Loans” tab in The Guardian System. • Commercially Reasonable Manner. Resolve debt in a commercially reasonable manner. <ul style="list-style-type: none"> ○ Generally this would be the way the vendor would resolve any other outstanding debt by any other entity in the normal course of business. ○ <u>Report</u> the resolution of debt using The Guardian System. From the “Filing Page” which shows the report summary, click on “Dissolve” and check the box for “Debt” and add each debt to be resolved. • Not resolved in a Commercially Reasonable Manner. <ul style="list-style-type: none"> ○ The amount of the debt is a contribution to the committee and must be reported as a contribution. ○ CAUTION: Resolving debt in a non-commercially reasonable way when the vendor is a corporation is a prohibited corporate contribution. • Transfer to new committee. When a candidate committee will be immediately transitioning to a new candidate committee, the candidate committee may transfer debt to the future committee. The transfer of “debt” is noted on Schedule J of the existing committee’s final report, and is also reported on the new committee’s first report as a “debt from prior committee”. <p>NO: Move on to the next step.</p>
<p><input type="checkbox"/> Dispose of Surplus Funds</p>	<p>“Surplus funds” are funds that exist after the office for which the campaign committee was formed has been decided and are not needed to pay outstanding campaign debt or officeholder expenses.</p> <ol style="list-style-type: none"> 1. Has the office for which the committee was formed been decided as to the candidate? <p>YES. Move on to question 2 below.</p> <p>NO. The committee does not yet have surplus funds, move on to the next step.</p> 2. Has the committee identified outstanding obligations, and does it have funds in excess of what will be needed to satisfy those outstanding obligations? <p>YES: Dispose of the surplus funds as follows:</p> <ul style="list-style-type: none"> • Transfer to New Committee. Transfer the funds for use in a future campaign for state office. • Donate to a 501(c)(3). Surplus funds to a charitable organization that is registered as a 501(c)(3) organization (NOTE: not all “non-profit” organizations are 501(c)(3) organizations.) • Return to contributors. Return funds to the contributor(s) of the current committee by any method; however a contributor cannot receive more money than what was contributed. • Contribute to Party Committee. No more than \$25,000 shall be contributed to the committees of a political party. <p>NO: Move on to the next step.</p> <p>NOTE: Funds will be forfeited to the State of Oklahoma if not disposed of timely. See the “Time to Dissolve” section.</p>
<p><input type="checkbox"/> File a Final Report</p>	<p>Committees must file a Final Report of Contributions and Expenditures in The Guardian System by clicking on the “Dissolve Committee” button above the required filings grid.</p> <ul style="list-style-type: none"> • Candidate committees may only dissolve and file a Final Report of Contributions and Expenditures when no funds remain in the committee, all assets have been disposed, and all debts resolved. • Includes the same information as the other reports and shows how the committee (1) resolved debt, (2) disposed of assets, and (3) disposed of surplus funds.
<p><input type="checkbox"/> Bank Statements</p>	<p>The Commission will send a letter requesting the final two bank statements, or the last two statements that show activity, after a final report has been filed. The Committee must provide those documents to the Commission.</p>
<p><input type="checkbox"/> Maintain Financial Records</p>	<p>The Committee must retain all receipts, bank statements and other documentation supporting the Contributions and Expenditures Reports for FOUR (4) years. The Committee is required to provide these documents to the Ethics Commission upon request.</p>

Need Assistance? Contact the Ethics Commission staff by phone at (405) 521-3451 or email ethics@ethics.ok.gov if you have questions or would like to schedule a private appointment.