Oklahoma Ethics Commission

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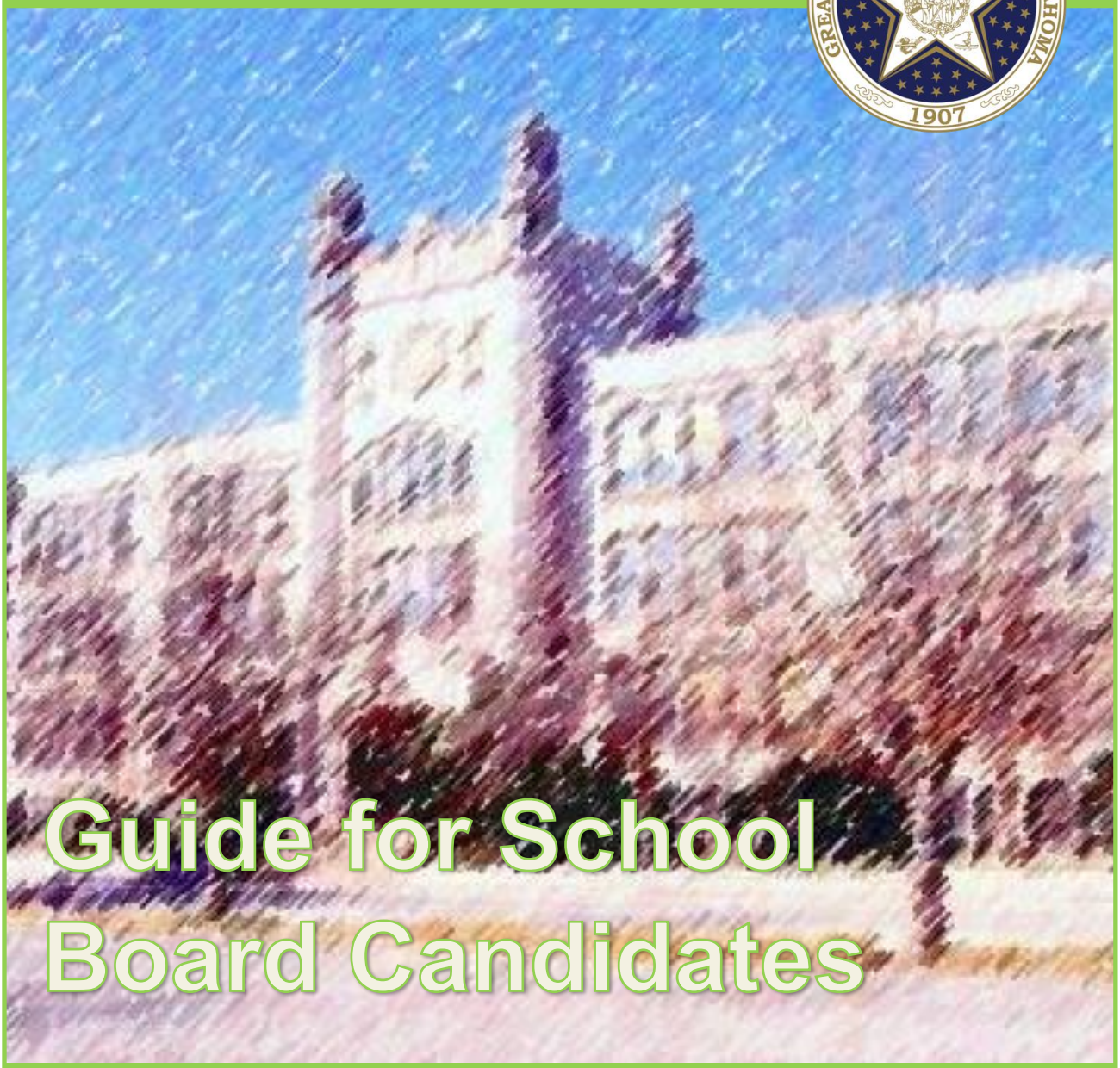

Guide for School Board Candidates

2016-2017

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Commissioners

- **Jo Pettigrew** – Chair, re-appointed by Governor Mary Fallin, term expires July 2017
- **John Hawkins**– Vice Chair, appointed by Senate President Pro Tempore Brian Bingman, term expires July 2019
- **Karen Long** – re-appointed by Speaker of the House Jeff Hickman, term expires July 2019
- **Holly Easterling** – appointed by Chief Justice John Reif of the Oklahoma Supreme Court, term expires July 2021
- **Cathy Stocker** – appointed by Attorney General Scott Pruitt, term expires July 2017

I. Introduction

How to Use This Guide

This Guide summarizes Rules of the Oklahoma Ethics Commission as applied to candidates for board of education in technology center districts and independent school districts effective July 1, 2016. It is written by the Commission staff to assist in compliance with the Rules, as authorized by Rule 1.8. This Guide is not a substitute for the law. If there is a conflict between this Guide and the Constitution, statutes or Rules, then the Constitution, statutes or Rules prevail.

Limited Scope

This Guide is not intended to provide comprehensive information about all Ethics Rules and other relevant law concerning campaigns for board of education. Individuals considering becoming candidates for board of education should become familiar with the relevant Constitutional and statutory provisions as well as with the Ethics Rules. The Technology Center District and Independent School District Campaign Finance and Financial Disclosure Act is found at Sections 2-110 through 2-119 of Title 70 of the Oklahoma Statutes.

This Guide Is Limited to Campaigns for Board of Education

This Guide addresses only Oklahoma law, especially Rules of the Oklahoma Ethics Commission, and is limited to campaigns for board of education in technology center districts and independent school districts. It does not address campaigns for federal, state, county, municipal or dependent school district office.

Advisory Opinions

Rule 1.7 authorizes the Commission to issue official advisory opinions interpreting its Rules. Such advisory opinions are binding on the Commission. Ordinarily, the Commission will consider an advisory opinion only as it applies to the person requesting the opinion, rather than third parties. Requests for advisory opinions may be sent to the Oklahoma Ethics Commission.

Commission Website

Additional information on compliance with the Rules may be found on the Commission's Internet website at www.ethics.ok.gov.

Contacting the Commission

The Ethics Commission office is located in Room B-5 of the State Capitol. The Commission's hours are Monday through Friday from 8:30 a.m. to 5 p.m.

The Ethics Commission contact information is as follows:

- Telephone number: (405) 521-3451
- Fax number: (405) 521-4905
- E-mail: ethics@ethics.ok.gov.
- Address: 2300 N. Lincoln Blvd., Rm B-5, Oklahoma City, OK 73105

Information regarding the Commissioners, the Ethics Commission staff, and the Commission meeting agenda and minutes may be located on the Commission's Internet website at www.ethics.ok.gov.

II. Understanding "Candidates" and Campaign Committees

Individuals Who Are Considered Candidates

A candidate is an individual who has filed or should have filed a Statement of Organization for a campaign committee with the school district clerk. A campaign committee includes committees for all elective school district offices for which Declarations of Candidacy are filed with the County Election Board. A candidate may or may not have filed a Declaration of Candidacy with the County Election Board to have his or her name placed on the ballot. An individual who has filed a Declaration of Candidacy with the County Election Board may or may not be considered a "candidate" under the Ethics Rules, depending upon other factors discussed hereafter.

Campaign Committees

Every candidate is required to have a campaign committee. It is the only committee authorized by a candidate to accept contributions or make expenditures on behalf of the candidate's campaign. Rules 2.2(3) and 2.68.

One Campaign Committee at Any Time

A candidate may have no more than one candidate committee for any school or technology center office at any time. However, after filing a Statement of Organization for a second committee, a candidate may maintain both the first candidate committee and the second candidate committee for school or technology center office for 60 days. Funds or debt, or both, may be transferred from the first committee to the second committee. However, a candidate may not continue to raise funds for the first committee once the second committee is opened. Rule 2.69. Transfers may only be made from school technology center candidate committee to school or technology center candidate committee.

When a Statement of Organization Must Be Filed

A Statement of Organization for a campaign committee may be filed with the school district clerk at any time. However, a Statement of Organization must be filed within 10 days after a candidate has accepted or spent more than $1,000 for his or her campaign. If an individual who is seeking school district office never accepts or spends more than $1,000.00, then there is no requirement to file a Statement of Organization. Rule 2.70.

Filing the Statement of Organization

School or Technology Center Candidates must file a Statement of Organization with the school district clerk. Blank copies of the Statement of Organization may be downloaded from the Commission's website at www.ethics.ok.gov under the "County, Municipal & School Reporting" tab. Rule 2.121. Rule 1.4.

Contents of the Statement of Organization

The Statement of Organization for a campaign committee includes the following information:

(1) The name of the candidate as it will appear on the ballot;

(2) The name of the Chair and Treasurer of the committee and, if a Deputy Treasurer is appointed, the name of the Deputy Treasurer;

(3) The name of the committee, which must include the year of the general election or special election at which the office will be filled and at the name of the candidate as it will appear on the ballot;

(4) The official and complete name of the school district elective office to which the candidate seeks election;

(5) The mailing address and, if applicable, the residence address, electronic mailing address, telephone numbers and Internet website, if applicable, of the campaign committee itself, the candidate, the Chair, Treasurer and Deputy Treasurer; and

(6) The full name and address of each depository in which the committee will maintain an account.

Rule 2.75.

Amending the Statement of Organization

The candidate is responsible for notifying the school district clerk of any change in information provided in the Statement of Organization by filing an Amended Statement of Organization within 10 days of a change being made. Rule 2.75.

Committee Officers

A campaign committee must have both a Chair and a Treasurer. However, the same person may serve as both Chair and Treasurer, and the candidate may serve as either the Chair or Treasurer, or both. The designation of a Deputy Treasurer, who may perform the duties of the Treasurer in the Treasurer's absence, is optional. The Treasurer and Deputy Treasurer must be residents of Oklahoma. The candidate may choose to name other officers for his or her committee, but these officers will not be shown on the Statement of Organization. All officers serve at the pleasure of the candidate, who may dismiss any of them at any time for any reason or no reason. Rule 2.71.

a. Vacancies in Campaign Committee Offices

Any vacancy in the office of Chair, Treasurer or Deputy Treasurer must be filled within 30 days, and an amended Statement of Organization must be filed with the school district clerk within 5 days after the vacancy is filled. Rule 2.74.

b. Candidate May Not Serve as Officer of Another Committee

A candidate may not serve as the officer of any other campaign committee or political action committee. Rule 2.71.

c. Duties of the Officers

The Treasurer is legally responsible for keeping the campaign committee's financial records and accounts, including all contributions accepted, all deposit slips or other evidence of acceptance of contributions, all expenditures made, all receipts, canceled checks or other evidence of payment of expenditures and all other documents necessary to file Reports of Contributions and Expenditures. The Treasurer also is responsible for timely and accurate filing of all Reports of Contributions and Expenditures. Rule 2.73. When acting in place of the Treasurer, the Deputy Treasurer performs similar duties. The duties of any other officers may be determined by the candidate. However, these determinations cannot relieve the Treasurer or Deputy Treasurer of their legal obligations and responsibilities. Nor do the duties of the Treasurer or Deputy Treasurer relieve the candidate of his or her obligation to ensure compliance with the Ethics Rules.

How Long Records Should Be Kept

All records and documents required to be kept by the Treasurer must be maintained for a period of four years. These records must be made available to the Ethics Commission upon request. Rule 2.73.

When the Campaign Committee Cannot Accept or Expend Funds

A campaign committee may not accept or expend funds when there is a vacancy in the offices of both the Treasurer and Deputy Treasurer. Rule 2.72.

Campaign Depositories

The campaign committee must establish at least one campaign depository, e.g., a bank checking account, in a financial institution that ordinarily conducts business within the State of Oklahoma. The account must be maintained in the name of the campaign committee as it is registered with the school district clerk. All contributions to the campaign committee, except in-kind contributions, must be deposited in the account. All expenditures made by the campaign committee must be made by check or debit card signed by the candidate, Treasurer or Deputy Treasurer of the campaign committee. The account may earn interest paid by the financial institution, but the funds cannot be otherwise invested. Rules 2.94 and 2.95.

III. Exploratory Activities

Under limited circumstances, an individual may conduct exploratory activities, such as polling or other techniques designed exclusively to assist the individual in making a decision as to whether to seek any school district office or offices. During this exploratory phase, an individual may accept contributions, subject to the limits of a campaign committee, and make expenditures limited to exploratory activities without designating a campaign committee. When engaged in such activities, the individual must maintain all the records that are required of a campaign committee.

There are limits on the amounts of funds that can be accepted or expended in exploratory activities. For all school district offices, the limit is $10,000.00.

If that limit is exceeded, the individual must either (1) file a Statement of Organization for a campaign committee with the school district clerk or (2) cease all exploratory activities.

If the individual becomes a candidate and forms a campaign committee, then all contributions received and expenditures made for exploratory activities are subject to the maximum contribution limits and are included in the first Report of Contributions and Expenditures filed by the campaign committee.

If all exploratory activities cease and the individual decides not to seek school district office, it is not necessary to file a Statement of Organization. However, no individual may conduct exploratory activities for a school district office or offices more than one time between general elections.

Rule 2.78.

IV. Personal Financial Disclosure Statements ("PFD")

Purpose of the PFD

The purpose of the personal financial disclosure statement is to identify and disclose potential conflicts of interests between public duties and private economic interests. Rule 3.13.

Although there is a minimum threshold requirement for disclosing certain forms of income or financial holdings, no Rule requires the disclosure of the amount of a filer's income or the amount of a filer's financial holdings.

Who is Required to File a Financial Disclosure Statement

Effective July 1, 2016, the only individuals who are required to file a financial disclosure statement are officers who are ***elected or subject to retention to judicial office***. Candidates are no longer required to file financial disclosure statements. Rule 3.16(A).

When Statements are Filed

An initial financial disclosure statement must be filed within 30 days of assuming office for a full or partial term. Rule 3.15(A).

Otherwise, annual financial disclosure statements are filed between January 1 and May 15 of each year. No individual is required to file more than one financial disclosure statement for any calendar year. Rule 3.15.

How Financial Disclosure Statements Are Filed

Information on how to file a financial disclosure statement is available on the Ethics Commission website at www.ethics.ok.gov under the "County, Municipal & School Reporting" tab.

Those required to file a financial disclosure statement will print off and complete the form provided on the Ethics Commission website. The report is filed with the **School District Clerk**.

Information Required on Financial Disclosure Statements

The Information required is as follows:

- Name, mailing address, work place telephone number and electronic mail address of the filer;
- Name of office held by the filer;
- Beginning date of term of office;
- Expiration date of term of office;
- Acknowledgment of the jurisdiction of the Commission, the Ethics Rules, and educational opportunities by the Commission;
- Acknowledgments of understanding of certain conflicts of interest Rules applicable to state officers; and
- Disclosure of all material financial interests.

Rule 3.16(B).

Material Financial Interest

The term "Material financial interest" is defined in the Rules to include:

1. An ownership interest in a private business, including but not limited to, a closely held corporation, limited liability company, Subchapter S corporation or partnership for which the filer, the filer's spouse or a dependent is a director, officer, owner, manager, employee, or agent or any private business, closely held corporation or limited liability company in which the filer, the filer's spouse or a dependent owns or has owned stock, another form of equity interest, stock options, debt instruments, or has received dividends or income worth $20,000 or more at any point during the preceding calendar year;
2. An ownership interest in 5% or more in a publicly traded corporation or other business entity by a filer, the filer's spouse, or a dependent at any point during the preceding calendar year;
3. An ownership interest in a publicly traded corporation or other business entity from which dividends or income, not to include salary, of $50,000 or more were derived during the preceding calendar year by the filer, the filer's spouse, or a dependent;
4. An interest that arises as a result of the filer's the filer's spouse, or a dependent's service as a director or officer of a publicly traded corporation or other business entity at any time during the preceding calendar year; or
5. Any sources of income derived from employment, other than compensation pertaining to the office for which the state officer is subject to election or retention, in the amount of $20,000 or more by the filer, the filer's spouse or a dependent not otherwise disclosed herein.

"Material financial interest" does not mean (1) an interest in a mutual fund or other community investment vehicle in which the filer or the filer's spouse or a dependent exercises no control

over the acquisition or sale of particular holdings, or (2) an interest in a pension plan, 401k, individual retirement account or other retirement investment vehicle that makes diversified investments over which the filer, the filer's spouse or a dependent exercises no control over the acquisition of particular holdings. Rule 3.16(C) and (D).

Amending a Statement

A filer may amend his Financial Disclosure Statement at any time to correct a bona fide oversight or error on the Statement previously filed. The filer must certify that the amendment is not made for the purpose of reporting information that was intentionally omitted or misstated on a prior filed statement. If the certification is true, the filer will not be deemed to have violated the Ethics Rules by having made an erroneous prior filing. Rule 3.15(D).

V. Understanding Contributions

What a Contribution Is

A contribution generally is anything of value given to a campaign committee. Contributions may be either monetary or "in-kind." Monetary contributions are made in cash or through "written instruments," such as a personal check or a credit card authorization. "In kind" contributions are goods or services given to the committee. Rule 2.2(6).

When an Expenditure Is a Contribution

Contributions include expenditures made on behalf of a campaign committee, except independent expenditures. For example, if a political action committee (PAC) purchased a newspaper advertisement urging the election of a particular candidate and did so with the candidate's knowledge, the expenditure would be considered an in-kind contribution by the PAC to the candidate. Rule 2.2(6).

Volunteer Services

The value of volunteer services is not considered a contribution by an individual who volunteers those services. However, no individual or entity may "volunteer" the services of another individual. An employer, for example, cannot "volunteer" the services of an employee. Rule 2.2(6).

When an individual volunteers the use of a personal telephone, electronic mail, Internet social media or similar electronic devices or services for campaign communications, such use is not considered a contribution but is considered as a volunteer service. Rule 2.110. Use by a commercial entity of telephone, electronic mail, Internet social media or similar devices or services is considered as an in-kind contribution unless the campaign committee pays for the use. Rule 2.111.

Communications by a Corporation or Labor Union

Communications by a corporation intended to be received only by its stockholders, directors, officers or employees and their spouses, and communications by a labor union intended to be received only by its members and their spouses are not considered contributions. For example, a corporation or labor union may wish to make known to its employees or members, respectively, an endorsement of a particular candidate. In such a case, the endorsement would not be considered a contribution to the candidate's campaign. Rule 2.29.

Who May Make Contributions

Generally, any individual or other person except corporations and labor unions may make contributions to a campaign committee. Other "person" could be a partnership or a limited liability company, for example. A child under the age of 18 may make a contribution only if the contribution is attributed to his or her parent (or equally between two parents) or guardian. Rule 2.17. Federal law prohibits contributions from a foreign national.

Corporate and Labor Union Contributions Prohibited

Corporations and labor unions may not contribute to campaign committees, and campaign committees may not accept contributions from corporations or labor unions. This prohibition includes all types of corporations, such as for profit corporations, nonprofit corporations and professional corporations. If the entity is incorporated, the prohibition applies. Okla. Const. art. IX, § 40; 21 O.S. § 187.2; Rule 2.23.

Limited Liability Company Contributions

A limited liability company may make contributions to a campaign committee, provided none of its owners are incorporated. The owners of a limited liability company are called "members." A limited liability company may not make a contribution to a campaign committee if one or more members of the limited liability company is a corporation. Rule 2.24. Contributions by a limited liability company are reported as contributions from each member of the limited liability company in proportion to the member's ownership interest. For example, if a limited liability company owned by two members equally made a contribution to a campaign committee, the campaign committee could accept a check from the limited liability company but would report a contribution for half the amount of the check from each of the two members as individuals. Rule 2.106.

Partnership Contributions

A partnership may make contributions to a campaign committee, provided none of the partners is a corporation. A partnership may not make a contribution to a campaign committee if one or more partners is a corporation. Rule 2.25. Contributions by a partnership are reported as contributions from each partner in proportion to the partner's partnership interest. For example, if a partnership with two partners owning equal shares of the partnership made a contribution to a campaign committee, the campaign committee could accept a check from the partnership but would report a contribution for half the amount of the check from each of the two partners as individuals. Rule 2.106.

Contributions Cannot Be Reported in the Name of Another Person

A contribution must be reported in the name of the person who made the contribution. To report a contribution in the name of someone other than the person who made the contribution is called "money laundering" and is prohibited. Rule 2.18.

Cash Contributions and Anonymous Contributions

The maximum amount of a cash contribution is $50. This is an aggregate amount, i.e., all cash contributions from a single contributor added together may not exceed $50.

The maximum amount of an anonymous contribution is $50. If an anonymous contribution in excess of $50 is received, the amount of the contribution in excess of $50 must be deposited with the State Treasurer to the general revenue fund of the state. Rules 2.19 and 2.20.

Accepting and Depositing Contributions

A contribution is deemed to have been accepted by a campaign committee if it is not returned within 10 business days after it has been received. Rule 2.21. A "business day" generally excludes Saturdays, Sundays and official state holidays. A contribution must be deposited during that same period—10 business days—unless it is returned. A contribution that is not deposited within 10 business days after it has been received by the campaign committee must be returned to the contributor and reported as having been accepted and refunded. Rule 2.22.

Earmarked Contributions Are Contributions to Candidates

A contribution to a political party committee or a limited political action committee that is designated, either directly or indirectly, for the benefit of a particular candidate or candidates is considered as a contribution by the contributor to the candidate or candidates. Rules 2.31 and 2.33(A).

Contributions to School District Candidates by Federal Committees

A campaign committee may accept a contribution from a political action committee registered with the Federal Election Commission (FEC), subject to limits of the Ethics Rules. However, a campaign committee may not accept a contribution from the authorized committee of a candidate for federal office. Rules 2.30 and 2.98.

Modest Items May Be Given in Recognition of Contributions

A campaign committee may provide coffee mugs, t-shirts, caps and similar items free of charge to volunteers or contributors to the campaign committee. Expenditures for such items are considered as campaign expenditures by the campaign committee. If a campaign committee sells goods or services, such activities are subject to applicable licenses and taxes provided by law. Rule 2.64. Such goods or services must be sold for campaign purposes.

VI. Prohibited Practices

Prohibitions Involving State and Other Public Facilities

Several Rules prohibit certain campaign activities in state or other public facilities.

a. Solicitation on State of Oklahoma Property That Is Used to Conduct Official State Business

No person may solicit or accept a contribution for a political committee in any area of the state capitol building under any circumstances. Further, no person shall solicit or accept a contribution for a political committee in any office or other space owned, leased, or occupied by the State of Oklahoma that ordinarily is used for the conduct of official state business. This does not include college campuses and public meeting rooms, auditoriums, or similar meeting areas that are available for use by the public at large. Rule 2.6.

b. Use of Public Property for Political Purposes

Public meeting rooms, auditoriums, parks, colleges and other educational campuses and similar spaces may be used for political purposes provided that certain conditions are met. If a fee is customarily charged with use of the facility, that fee must be charged for use of the facility for political activities. If the facility is made available to one candidate, it must be made available to all candidates for the same state office in the order in which requests are received. These

requirements do not mandate that any public facility be used for political purposes, nor do these requirements limit the use of traditional public forums for political purposes. Rule 2.8.

c. Use of Public Facilities for Voter Registration Activities

Voter registration activities may be conducted in public facilities, provided those activities are not used in any way to encourage registration in a particular political party or support of or opposition to a candidate or candidates. Rule 2.10.

VII. Special Fund-Raising Events

Joint Candidate Fund-Raising Events

Two or more candidates for board of education may participate in a joint fund-raising event. Each participating candidate must be given approximately equal status in any formal solicitation of contributions, and each participating candidate must pay an equal share of the costs.

Contributions to campaign committees may not be commingled. Each contribution must be made to an individual campaign committee. Rule 2.59.

Residence Used for Fund-Raiser

An individual who hosts a fund-raising event for a candidate in his or her residence and uses personal funds in doing so may spend up to $1,000 before the expenditure is considered an in-kind contribution to the candidate's campaign. In other words, an individual could host such a fund-raising event in his or her home and spend $1,000 on refreshments without making a contribution to the candidate. Any personal funds expended above the $1,000 limit are considered in-kind contributions subject to regular limits and reporting requirements. For example, an individual who hosted such a fund-raising event in his or her residence and spent $1,500 on refreshments would be making an in-kind contribution of $500. This $1,000 exclusion may be used only one time by an individual for a candidate's campaign, although more than one individual may use the exclusion for the same candidate. Rule 2.60.

Non-Residence Used for Fund-Raiser

An individual who hosts a fund-raising event for a candidate in an office or other nonresidential building and uses personal funds in doing so may spend up to $1,000 before the expenditure is considered an in-kind contribution. The exclusion may be used one time for a candidate's campaign and may not exceed $1,000. Any personal funds expended above the $1,000 limit are considered in-kind contributions subject to regular limits or reporting requirements. To qualify for the exclusion, the office or other building must be owned by or exclusively leased or rented by the individual who is receiving the exclusion. Otherwise, use of the space is considered an in-kind contribution by the owner. This provision does not permit a corporation or labor union to make an in-kind contribution that is otherwise prohibited. Rule 2.61.

Golf Fund-Raising Events

A campaign committee may use golf events for fund-raising purposes. Any goods or services donated to a golf fund-raising event are considered as contributions based on the fair market value of the goods or services. Any fee paid to participate in the event is a contribution. No goods or services may be donated, nor a fee paid, by a corporation or labor union. Rule 2.62.

Any discount on the use of the course will be a contribution unless the same discount is available to all others regardless of the golf fund raising event.

Fund-Raising Auctions

A candidate may use auctions or other sales for fund-raising purposes. Any goods or services donated to such an event are contributions to the campaign committee based on their fair market value. Any money paid for goods or services at such an event are contributions. No goods or services may be donated nor purchased by a corporation or labor union. Rule 2.63.

Sales of Goods or Services

When a campaign committee sells goods or services, every sale is a contribution to the committee. The committee must receive the same contributor information, as with any other contribution received, in order to ensure proper reporting. Such sales activities are subject to applicable licenses and taxes provided by law. Rule 2.64.

VIII. Loans

Loans by Commercial Financial Institutions

A loan to a campaign committee by a commercial financial institution that normally engages in the business of making loans is not considered a contribution if the loan is made in the regular course of business and on the same terms ordinarily available to the public. Rule 2.65.

Loans by Non-Financial Institutions Are Contributions

A loan by a person other than a commercial financial institution to a campaign committee is a contribution from the lender, guarantor or endorser in the amount of the balance of the loan that has not been repaid. Rule 2.67.

PACs May Not Make Loan to or Receive Loan from Campaign Committees

A PAC may not make a loan to or receive a loan from a campaign committee. Rule 2.66.

Campaign Committee May Not Make Loans to Other Campaign Committees

A campaign committee may not make a loan to another campaign committee. Rule 2.66.

Candidates May Make Unlimited Loans to Their Own Campaign Committees

A candidate may make a loan to his or her campaign committee from his or her personal funds or from joint funds of the candidate and the candidate's spouse. There is no limit on the amount of personal funds that can be loaned to the campaign committee.

If a candidate makes a loan to his or her committee, the terms of the loan must be in writing in a document executed contemporaneously with the transfer of funds into the campaign committee's account. The document must be signed and dated by all parties involved.

Such a loan may be repaid from contributions received by the campaign committee, but the campaign committee shall not be permitted to pay any interest on the loan.

If the candidate transfers his or her personal funds or joint funds of the candidate and the candidate's spouse to the campaign committee without a contemporaneously-executed written loan document, the campaign committee cannot repay the candidate for the transfer.

A candidate who makes expenditures from personal funds or joint funds of the candidate and the candidate's spouse that are not first transferred to the campaign committee's joint account shall not have made a loan to the committee and thus cannot be repaid from contributions received. Such expenditures are reported as contributions to the campaign committee by the candidate and also are shown as expenditures by the campaign committee.

Example 1: Tom is a candidate. He is the only officer in his committee. In other words, he serves as both the Chair and Treasurer of his campaign committee. Tom wants to loan his campaign $200. Tom makes a document that states the terms of the agreement. He signs and dates the document as the candidate and Treasurer. He then puts $200 of his personal funds into the campaign committee depository (i.e., campaign committee account). He also files a Report of Contributions and Expenditures and indicates on the report that he, as the candidate, made a personal loan to his campaign committee. Tom has appropriately performed the two-step loan process and will be able to pay back the loan with committee funds according to the terms of the loan.

Example 2: Same example, except Tom is the candidate and Chair of the committee, and Jane is the Treasurer of the committee. The difference in this example and the previous one is that the document that Tom creates with the loan terms needs to be dated and signed by Tom, the candidate, and Jane, the Treasurer.

Example 3: Tom is a candidate. He is the only officer in the committee. He purchases $200 worth of materials with his personal funds for campaign signs. He later makes, signs, and dates a document with the terms of the $200 loan from his personal funds to his campaign committee. He also files a Report of Contributions and Expenditures, indicating that he, as a candidate, made a personal loan to his campaign committee. Tom has not made a loan to the campaign committee because he failed to first transfer his personal funds into the campaign committee's account. Tom has made a contribution to his campaign committee account.

IX. Receiving Contributions

Corporations and Labor Unions Prohibited from Contributing to Candidates

Corporations and labor unions may not make a contribution to a campaign committee, and a campaign committee may not accept a contribution from a corporation or labor union. This prohibition includes all types of corporations, such as for profit corporations, nonprofit corporations and professional corporations. If the entity is incorporated, the prohibition applies. Okla. Const. art. IX, § 40; 21 O.S. § 187.2; Rule 2.23.

Limited and Unlimited Committees

A "limited committee" is a political action committee organized to make contributions to candidates for state offices that is registered with the Ethics Commission. These limited committees also may make contributions to candidates for board of education. In addition, a "school district political committee" is a committee composed of one or more persons whose purpose includes the election or defeat of one or more candidates for board of education but which is not required to register with the Ethics Commission or the Federal Election Commission. Both a "limited committee" and a "school district political committee" are "political action committees," or "PACs." An "unlimited committee" is a political action committee organized for the purpose of making independent expenditures or electioneering communications. Rule 2.2(13) and (19).

Unlimited Committees Prohibited from Contributing to Candidates

An unlimited committee may not make a contribution in any amount to a campaign committee. Rule 2.2(19).

Foreign Nationals Prohibited from Contributing to Candidates

Federal law prohibits foreign nationals from making contributions to candidates.

Individual Contributions to Candidates

Contribution limits are "per person per election," so the maximum amounts that can be contributed may vary when there is a runoff election.

An individual may make a contribution of up to $2,700 to a campaign committee prior to an annual school election.

An individual may contribute an additional $2,700 to a campaign committee prior to a runoff election, but only if there is a runoff election.

After the final election, if an individual has made no prior contributions or has contributed less than $2,700 in contributions to a campaign committee, the individual may contribute up to $2,700 after the final election. In other words, the contributor can contribute an amount that adds up to $2,700 once added to the prior contributions.

These limits are individual limits, so the individual's spouse also could contribute up to $2,700 to a campaign committee at the same time as the individual did. Stated differently, a married couple could contribute up to $5,400 at each permitted interval in the election process.

In other words, an individual may make a maximum contribution of $2,700 at each election a candidate's name appears on the ballot, or a total of $2,700 for a candidate who is unopposed.

The maximum contribution from an individual to a campaign committee is

- $2,700 if the candidate's name appears only on the annual school election ballot;
- $5,400 if the candidate's name appears on both the annual school election and runoff election ballots;
- $2,700 if the candidate is unopposed; and
- $2,700 after the last election if no previous contributions have been made or contributor has contributed less than $2,700 in contributions to a campaign committee.

The maximum contribution limits are specific to each election. For example, if an individual had given a contribution to a candidate of $1,000 prior to the annual school election, and the candidate's name appeared on the ballot at the runoff election, the individual could make an additional contribution of $2,700—or a total of $3,700 in the aggregate for both elections—prior to the runoff election. However, in identical circumstances, an individual who had given a contribution of $2,700 to the candidate prior to the annual school election could give an additional contribution of $2,700—or a total of $5,400—after the annual school election but before the runoff election. Rule 2.37.

Maximum Individual Contributions Indexed to Inflation

Before July 1 of every odd-numbered year, the Ethics Commission adjusts the maximum individual contribution limit upward, rounded to the nearest $100 increment, based on the increase in the Consumer Price Index during the preceding calendar year. The Commission increased the maximum individual contribution amount in its meeting on April 10, 2015, pursuant to Subsection (H) of Section 2.37. Rule 2.37. The next adjustment will be considered before July 1, 2017.

Candidate May Make Unlimited Contributions to His or Her Own Committee

A candidate may contribute an unlimited amount to his or her campaign committee from his or her personal funds or from joint funds of the candidate and the candidate's spouse. Rule 2.38. These funds should be deposited into the depository prior to expenditure from the campaign committee.

Special Limit on Nontaxable Gifts

A gift or gift to a candidate or a candidate's spouse that are nontaxable under the United States Internal Revenue Code are considered contributions to the candidate's campaign committee to the extent that the gift or gifts exceed gifts from the same donor in three of the preceding five calendar years, assuming the candidate makes a similar contribution to his or her campaign. Rule 2.38.

Limited Liability Company Contributions

A limited liability company may make contributions to a campaign committee, provided none of its owners is incorporated. The owners of a limited liability company are called "members." A limited liability company may not make a contribution to a campaign committee if one or more members of the limited liability company is a corporation. Rule 2.24.

Contributions by a limited liability company are reported as contributions from each member of the limited liability company in proportion to the member's ownership interest. For example, if a limited liability company is owned equally by two members—member 1 and member 2—and it made a $1,000 contribution to a campaign committee, the campaign committee could accept the check from the limited liability company, but the campaign committee would report the contribution as coming from each member as an individual. In other words, the committee would report $500 as coming from member 1 and $500 from member 2 because each member has a 50% ownership interest. Rule 2.106.

However, if one or more of the LLC members is a corporation, the campaign committee cannot accept the contribution. In other words, if member 1 is an individual but member 2 is a corporation, the LLC cannot make a contribution to the campaign committee because the contribution includes prohibited corporate funds.
Rule 2.106.

Partnership Contributions

A partnership may make contributions to a campaign committee, provided none of the partners is a corporation. A partnership may not make a contribution to a campaign committee if one or more partners is a corporation. Rule 2.25.

Contributions by a partnership are reported as contributions from each partner in proportion to the partner's partnership interest. For example, if a partnership with two partners owning equal

shares of the partnership made a contribution to a campaign committee, the campaign committee could accept a check from the partnership but would report a contribution for half the amount of the check from each of the two partners as individuals. In other words, if a campaign committee receives a $1,000 check from the partnership with two partners, the contribution is reported as coming from each individual partner—$500 from partner 1 and $500 from partner 2 because each partner has a 50% ownership interest.

However, if one or more of the partners is a corporation, the campaign committee cannot accept the contribution. In other words, if partner 1 is an individual but partner 2 is a corporation, the partnership cannot make a contribution to the campaign committee because the contribution includes prohibited corporate funds.
Rule 2.106.

Contributions from Political Parties

A campaign committee may receive contributions from political party committees.

The maximum amount that a political party committee may contribute is $10,000 to a candidate for any board of education. The contribution may be made prior to any general election for the office.

The maximum amount includes the aggregate of all contributions made to the candidate by a political party committee, including the state committee, Congressional District committees, school district committees and precinct committees, or any other committee or entity officially recognized in the party's bylaws or similar governing document.

Contributions by Limited Committee or School District Political Committees to Candidates

A limited committee or school district political committee may contribute no more than $5,000 to a campaign committee prior to an annual election.

A limited committee or a school district political committee may contribute an additional $5,000 to a campaign committee after the annual school election and prior to the runoff election, but only if there is a runoff election.

If the PAC has made no prior contributions to a campaign committee, it may contribute no more than $5,000 after the last election. Rule 2.33(D), (E), (F) and (G).

In other words, a limited committee or a school district political committee may make a maximum contribution of $5,000 for each election a candidate's name appears on the ballot, or a total of $5,000 for a candidate who is unopposed.

The maximum contribution by a limited committee or a school district political committee to a campaign committee is

- $5,000 if the candidate's name appears only on the annual school election ballot;
- $10,000 if the candidate's name appears on both the annual school election and runoff election ballots;
- $5,000 if the candidate is unopposed; and

- $5,000 after the last election if no previous contributions have been made.

The maximum levels are specific to the next election. For example, if a limited committee or a school district political committee had given a contribution of $1,000 to a candidate prior to the annual school election, and the candidate's name appeared on the ballot at the runoff election, the limited committee or school district political committee could make an additional contribution of $5,000—or a total of $6,000 in the aggregate for both elections—prior to the runoff election. However, in the identical circumstances, a limited committee or school district political committee that had given a contribution of $5,000 to the candidate prior to the annual school election could give an additional contribution of $5,000—or a total of $10,000—after the annual school election but before the runoff election.

Limited Committees Registered Less Than a Year or With Fewer Than 25 Contributors

A limited committee that has been registered with the Ethics Commission less than a year prior to a primary election or that has fewer than 25 contributors is subject to contribution limits lower than limited committees with a longer existence and more contributors. Such limited committees may make contributions to campaign committees subject to maximum limits exactly half the amount of maximum contributions by other limited committees, i.e., $2,500 rather than $5,000. Rule 2.34(D)(E)(F) and (G).

Thus, the maximum contribution by such a limited committee to a campaign committee is

- $2,500 if the candidate's name appears only on the annual school election ballot;
- $5,000 if the candidate's name appears only on both the annual school election and runoff election ballots;
- $2,500 if the candidate is unopposed; and
- $2,500 after the last election if no previous contributions have been made.

Contributions by Federal Committees

A campaign committee may accept a contribution from a political action committee registered with the Federal Election Commission (FEC), subject to limits of the Ethics Rules. However, a campaign committee may not accept a contribution from the authorized committee of a candidate for federal office. Rules 2.30 and 2.98.

Contributions from Out-of-State Political Action Committees

A campaign committee may accept a contribution from a political action committee registered in another state, provided the political action committee would be eligible to make contributions to the candidate if it was registered in Oklahoma. Rule 2.99.

Candidates Prohibited From Receiving Excessive Contributions

No candidate or campaign committee may receive contributions from a political party, political action committee or other person in excess of the limits. In other words, it is a violation of the Rules by both the contributor and the recipient if the maximum limits are exceeded. Rule 2.38.

V. Making Expenditures

General Rules for Making Expenditures

Contributions to a campaign committee may be used to make expenditures for ordinary and necessary campaign expenses, for contributions to another campaign committee, for operating expenses of the committee or for other purposes not otherwise prohibited by law of the Ethics Rules.

Ordinary and Necessary Campaign Expenses

"Ordinary and necessary campaign expenses" are expenses that would not exist ***but for the candidate's campaign***. Examples include, but are not limited to, staff salaries, campaign consulting fees, rent (other than for the candidate's residence or part of a residence), travel, advertising, telephones, office supplies and equipment, fundraising, individual memberships in political organizations, individual memberships in civic or charitable organizations, legal fees for the campaign, payment for campaign accounting or bookkeeping services or campaign finance reporting services and repayment of the principal and interest on a loan as permitted under the Ethics Rules. The examples are intended to be illustrative, not exhaustive. Rule 2.43.

Expenditures Made to Family Members

Expenditures made by a campaign committee to a family member for services provided to the campaign may be no more than customary compensation for such services. Rule 2.43.

Personal Use of Campaign Funds Prohibited

Contributions accepted by a campaign committee may not be converted by any person to personal use. "Personal use" includes any use of funds to fulfill a commitment, obligation or expense of any person that would exist irrespective of a candidate's campaign or responsibilities as a holder of a school district elective office. "Personal use" by a candidate includes, but is not limited to, food purchased for daily consumption in the candidate's home or supplies needed to maintain the household; clothing (excluding campaign clothing of low monetary value such as T-shirts or caps); mortgage, rent or utility payments for the candidate's personal residence, even if part of the residence is being used for the campaign; use of a motor vehicle for non-campaign purposes or non-officeholder expenses; interest on a loan made by the candidate or the candidate's spouse to the campaign; costs of a vacation or other trip not related to the campaign or officeholder expenses; admission to athletic events, concerts, theater or other forms of entertainment (except for events that are part of the campaign); dues in country clubs, health clubs, recreational facilities or other nonpolitical organizations and earnings from investments of contributions other that as permitted by the Ethics Rules. These examples are intended to be illustrative, not exhaustive. Rule 2.39.

Contributions to Another Candidate's Campaign Committee

A campaign committee may make a contribution to another candidate's campaign committee. The maximum amount of such a contribution is $2,700 in the aggregate for both elections or if a candidate is unopposed. In other words, a campaign committee can make a contribution of no more than $2,700 altogether to another candidate's campaign committee, regardless of the number of elections at which the recipient candidate's name appears on the ballot. Rule 2.37(F).

Contributions May Be Used to Pay Certain Officeholder Expenses

Contributions to a campaign committee of a candidate who is elected to office for which the contributions were accepted may be used to make expenditures for officeholder expenses.

Such expenses may be paid until expiration of the term, resignation or other vacation of the office. Contributions received for a campaign for one office cannot be used to pay officeholder expenses for a different office.

When an officeholder dissolves one campaign committee and files a Statement of Organization for a different campaign committee prior to the expiration of the term to which he or she was elected and transfers funds from the first committee to the second committee, the officeholder may pay officeholder expenses until the expiration of the term in an amount not to exceed the amount transferred.

Officeholder expenses are ordinary and necessary expenses incurred in connection with a candidate's duties as the holder of a school district elective office, provided that the expenses are not otherwise reimbursed or paid for by the state. "Ordinary and necessary expenses" are those that would not exist but for the fact that the candidate was elected to and holds school district elective office. Rules 2.44 and 2.2(14).

Calculating Expenses for Motor Vehicle Travel

a. Rental of a Motor Vehicle for Campaign Purposes

Expenditures for the rental of a motor vehicle or for fares of taxicabs, buses or similar modes of transportation may be made at the actual cost of the rental or fare, provided the rental or fare is at the rate normally charged for others.

b. Use of Personal Vehicle for Campaign Purposes

If a motor vehicle is used for both campaign and officeholder expenses, and for any other purpose—including personal use—the campaign committee may make expenditures only for mileage reimbursement at the rate authorized for the use of privately owned motor vehicles under the State Travel Reimbursement Act, or less. Campaign committee funds cannot be used to pay for gas. Candidates may only be reimbursed for mileage incurred during campaign activities with campaign committee funds. Candidates must maintain appropriate documentation for travel reimbursement, such as a mileage log, detailing dates, miles driven, and purpose of travel. Note: Mileage reimbursement includes wear and tear on the vehicle. Campaign committees cannot pay for car repairs or car maintenance out of campaign funds.

c. Purchase or Lease of a Motor Vehicle for Campaign Purposes

If campaign contributions are used for the purchase or lease of a motor vehicle, the motor vehicle must be purchased or leased from a dealer licensed by the Oklahoma Motor Vehicle Commission or the Oklahoma Used Motor Vehicle and Parts Commission on commercially reasonable terms and cannot be purchased from the committee by the candidate or a family member of the candidate.

All expenses associated with the purchase or lease and operation of a motor vehicle may be paid with contributions to a campaign committee only if the motor vehicle is used exclusively for campaign purposes or for ordinary and necessary expenses incurred in connection with the candidate's duties as the holder of an elective county office. This provision is not effective if the motor vehicle is used for any other purpose, including but not limited to personal use.

Rule 2.45.

X. Making Reports of Contributions and Expenditures

Obligation to Make Reports

Once a campaign committee has filed a Statement of Organization with the school district clerk, the committee is required to make periodic Reports of Contributions and Expenditures until the committee is dissolved and a Final Report of Contributions and Expenditures is made.

How to File Reports

Blank copies of Reports of Contributions and Expenditures may be downloaded from the Ethics Commission's website at www.ethics.ok.gov under the "County, Municipal & School Clerk" Reporting tab. All Reports of Contributions and Expenditures must be filed with the school district clerk. Rule 1.4.

Quarterly Reports Required in Non-Election Years

In years when the office sought or held by the candidate does not appear on the ballot at the annual school election, quarterly Reports of Contributions and Expenditures are filed according to the following schedule:

Filing Dates	Period Covered	Type of Report Due
April 1 – 30	Jan. 1 – March 31	1st Quarter Report
July 1 – July 31	April 1 – June 30	2nd Quarter Report
Oct. 1 – 31	July 1 – Sept. 30	3rd Quarter Report
Jan. 1 – 31	Oct. 1 – Dec. 31	4th Quarter Report

Quarterly reports due in January, April, July or October cannot be filed early, unless the campaign committee is dissolving and filing a Final Report of Contributions and Expenditures. Rule 2.100.

Quarterly and Pre-Election Reports Required in Election Years

In years when the office sought appears on the ballot at the annual school election, Reports of Contributions and Expenditures by campaign committees are made for the last quarter of the preceding year and for fixed periods preceding the annual school election and, if there is one, the runoff election. The reporting dates and time periods covered are as follows:

- January 1-31 for the period beginning October 1 of the preceding year and ending December 31 of the preceding year;
- No earlier than 14 days nor later than eight days before the annual school election for the period beginning December 31 of the preceding year and ending 15 days before the primary election;
- No earlier than 14 days nor later than eight days before the runoff election for the period beginning 15 days before the primary election and ending 15 days before the general election.
- Quarterly thereafter, as in non-election years.

These pre-election Reports are required only if there is an election. If there is no runoff election, so there would be no pre-primary election report deadline.

All Candidates Must File Pre-Election Reports

All candidates must file pre-election Reports, regardless of whether their names appear on the ballot at a particular election, if pre-election Reports are required. Rule 2.101.

Special Election Reporting Dates

For a special election to fill a vacancy, each campaign committee must file pre-election Reports of Contributions and Expenditures on the same dates and for the same periods with respect to the special primary election and general election.

Candidates in special elections must continue to file reports after the general election until the campaign committee is dissolved and a Final Report of Contributions and Expenditures is filed. Rule 2.101.

Reports Due Between Pre-Election Time Period and Election Day

A campaign committee is required to file a Continuing Report of Contributions for certain contributions received after the close of the pre-election reporting period until the last two days before the election.

Contributions that must be reported are those that exceed $1,000 in the aggregate.

These Reports are due within 24 hours after the contribution is accepted. In this case, "accepted" means that the contribution has been placed in a campaign depository or that an in-kind contribution has been used in the campaign.

The Reports must identify the name, address and occupation and employer of any person other than a PAC making a contribution, the amount of the contribution and the date it was made and the name and number (if any) of a PAC making a contribution, the amount of the contribution and the date it was made.

If a candidate's name does not appear on the ballot at the next following election, that candidate's committee is not required to file a Continuing Report of Contributions. Rule 2.102.

Filing the First Report

The first Report of Contributions and Expenditures by a campaign committee shall be filed at the same time as required for the quarterly or pre-election Report of Contributions and Expenditures following the filing of a Statement of Organization. The Report covers the period beginning on the date of the first contribution or expenditure and ending on the same ending date for the quarterly or pre-election period. Rule 2.103.

Contents of Reports of Contributions and Expenditures

Reports of Contributions and Expenditures include information on all receipts, including monetary contributions, in-kind contributions, refunds or returns and other receipts and information on all expenditures, including refunds made. Rule 2.106.

Details in Reports of Contributions and Expenditures

Reports of Contributions and Expenditures require significant detail. For example, Reports of Contributions and Expenditures include

- The name, address, occupation and employer of any person making a contribution or contributions, the date and amount of any monetary or in-kind contributions made during the time period covered by the Report and the aggregate total of all contributions accepted from one person;

- The name of a PAC, political party committee or campaign committee making a contribution or contributions, the date and amount of any monetary or in-kind contributions made during the time period covered by the report and the aggregate total of all contributions accepted from the PAC, political party committee or campaign committee;

- The total of all contributions made during the time period covered by the Report;

- Information on all loans made to the committee or repaid by the committee.

- The name and address of any person or entity to whom an expenditure was made during the time period covered by the Report, a description of the goods or services purchased with the expenditure and the aggregate total of all expenditures made to the person or entity.

It is imperative that the Treasurer keep detailed and accurate records of all campaign committee transactions to ensure that the Treasurer has the information necessary to correctly account for all the receipts and expenditures of the committee.

Sometimes this responsibility goes beyond merely recording gross expenditures. For example, expenditures made by political consultants or other third parties on behalf of the candidate must be reported as if the expenditures had been made directly by the campaign committee. That makes it necessary to identify all of the expenditures made by such persons on behalf of the candidate so that expenditures of more than $200 can be properly reported. The same is true for expenditures made by using a credit card for payment. Expenditures made by using a credit card that are more than $200 are reported individually, not as a single credit card payment. Another example of necessary detail that goes beyond the surface is the reporting of contributions from eligible limited liability companies and partnerships. Although the candidate may receive a contribution from a limited liability company or a partnership, the contributions must be reported as if the contributions were made by the members or partners, respectively. To accurately report the committee's activities, the Treasurer often will have to elicit details not apparent on the face of a contribution or expenditure and keep careful records in order to make the Report of Contributions and Expenditures. Rule 2.106.

XI. Disclosure Requirements for Campaign Advertising

Electronic Communications Disclosure Requirements

Whenever a campaign committee makes an expenditure for the purpose of communicating through any Internet advertising or video, radio, television, cable or satellite broadcast, the communication shall state, either orally or in writing, "Authorized and paid for by NAME OF COMMITTEE." If the disclosure is in writing, it must be of sufficient size and contrast to be clearly readable by the recipient of the communication. Rule 2.55.

Printed Communications Disclosure Requirements

Whenever a campaign committee makes an expenditure for the purpose of communicating through any Internet advertising, or direct mail, magazine advertisement, newspaper advertisement or other printed materials, the communication shall state, "Authorized and paid for by NAME OF COMMITTEE." The disclosure must be of sufficient size and contrast to be clearly readable by the recipient of the communication. Rule 2.56.

Standard, small campaign yard signs are not required to have a disclosure. Larger signs, banners, and billboards are required to contain the disclosure required by this Rule.

Flyers, handbills, push cards, and other similar printed materials designed to be read while held must contain the disclosure required by this rule.

An individual making an in-kind contribution of advertising to a campaign committee must include the disclosure required by this Rule identifying the advertisement was authorized and paid for by the campaign committee and not the individual making the purchase.

Disclosure Not Required for Certain Items

No disclosure is required for items such as bumper stickers, campaign buttons, t-shirts, aerial advertising or similar advertisements where inclusion of a disclaimer would be impractical. Rule 2.56.

XII. Understanding Independent Expenditures

Third parties, not campaign committees, engage in independent expenditures. Generally, an independent expenditure is a communication that advocates the election or defeat of a candidate. If a candidate, campaign committee, agent, etc., coordinates with a third party who is engaged in an independent expenditure or an electioneering communication, the expenditure becomes a contribution to the campaign committee. This will often cause excessive contribution limits or prohibited corporate contributions.

What an Independent Expenditure Is

An independent expenditure is an expenditure made by a person that expressly advocates (1) the election or defeat of a clearly identified candidate or (2) a vote for or against the retention of a candidate for judicial retention. An independent expenditure cannot be made in coordination with, cooperation with, consultation with, or concert with, or at the request or suggestion of, a candidate, a campaign committee or their agents. Rule 2.2(10).

a. What an Independent Expenditure Is Not

An independent expenditure is not a contribution to a candidate or a campaign committee. An independent expenditure also does not include the display of a noncommercial yard sign, lapel pin, button, bumper sticker or similar displays of support or opposition to a political party or a candidate. Rule 2.2(6) and (10).

Who May Make Independent Expenditures

Any limited committee, municipal political committee or unlimited committee may make independent expenditures consistent with the purposes of the committee. Independent expenditures also may be made by other persons, such as individuals, partnerships, limited liability companies and corporations. Rule 2.50. A candidate, of course, cannot make an

independent expenditure for his or her own campaign and is prohibited from making an independent expenditure for the campaign of another candidate. Rule 2.49.

What Constitutes Coordination, Cooperation, Consultation or "Acting in Concert"

Coordination, cooperation, consultation and "acting in concert" are not defined in the Ethics Rules. Common definitions of "coordination," "cooperation," "consultation" and "concert" offer these descriptions, among many others: "to associate with others for mutual benefit," "to act together," "to confer," "formed by mutual communication of opinion and views." Whether or not there is coordination, cooperation or consultation in any given situation depends upon the facts.

Consequences of Coordination

If an alleged independent expenditure is in fact made in coordination with, cooperation with, consultation with, or concert with, or at their request or suggestion of, a candidate, a campaign committee or their agents or a political party committee or its agents, then the "expenditure" becomes a contribution to the campaign committee and is reported as an expenditure by the campaign committee. Rule 2.2(6), 2.2(10), 2.107(H), and 2.108(H). If the amount of the expenditure exceeds the limits for contributions, then it is a violation of the Ethics Rules by both the contributor and the recipient. Rule 2.38.

XIII. Dissolving the Campaign Committee

Campaign Committee Dissolution

A campaign committee may dissolve at any time prior to mandatory dissolution dates by filing a Final Report of Contributions and Expenditures that shows no funds remaining in the committee. Rule 2.115. A campaign committee must dissolve no later than two years after the general election for an office with a two-year term and no later than four years after the general election for an office with a four-year term. Rule 2.115. A campaign committee remains obligated to file all required reports until their committee is dissolved.

a. Surplus Funds

Surplus funds of a campaign committee may be designated only following the election at which the office for which the campaign committee has been determined. The candidate, at his or her discretion, may determine that such funds are not required for campaign expenses or officeholder expenses.

i. Uses of Surplus Funds

Surplus funds may be used only as follows:

- Retained in any amount for use in a future campaign for the next succeeding term of the same office;
- Retained for a future campaign for a different county elective office;
- Donated to a charitable organization as described in Section 501(c)(3) of Title 26 of the United States Code;

- Returned to any contributor, as long as the amount returned does not exceed the contributor's aggregate contribution during the immediately preceding primary election, runoff primary election and general election, or

- Contributed to a political party committee in any amount not to exceed $25,000 in the aggregate.

Surplus funds may not be used for any other purpose. Rule 2.48.

ii. Disposition of Surplus Funds

Surplus funds remaining in the campaign committee's possession within 90 days after the expiration of the term to which the candidate was elected or, for candidates who were not elected, within 90 days after the second year following the general election, shall be deposited in the general revenue fund of the State of Oklahoma. Rule 2.48.

b. Disposition of Assets

The campaign committee must dispose of assets acquired by the campaign committee through purchase or in-kind contributions, including but not limited to furniture, computer equipment and similar items. If the candidate retains those assets, that would amount to converting contributions to personal use in violation of the Ethics Rules. A candidate may purchase such assets from the campaign committee but only if the candidate pays fair market value for such purchases.

c. Resolution of Debt

If a campaign committee has debt at the time of its dissolution, that debt must be resolved in a commercially reasonable manner before the campaign committee may dissolve. Debt may not be resolved for the purpose of evading prohibitions or limitations of the Rules. If a debt is not resolved in a commercially reasonable manner, the amount of the debt that is forgiven shall be considered a contribution to the candidate. Rule 2.116.

Final Report of Contributions and Expenditures

A Final Report of Contributions and Expenditures is identical to other Reports of Contributions and Expenditures except that it requires information about the resolution of debt and disposition of assets, if any. A Final Report may be filed at any time. It covers a period beginning after the last day of the immediately preceding reporting period and ending on the day before the Final Report is filed. Rule 2.117.