



OKLAHOMA ETHICS COMMISSION

TRANSITIONING TO A NEW CANDIDATE COMMITTEE CHECKLIST

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

ITEM	DESCRIPTION
<input type="checkbox"/> New Campaign for State Office	<p>Is the candidate running for another state level office? **State candidate committees cannot transfer funds to a committee for federal, county, municipal or school district/technology center office.</p> <p>YES: Use this checklist.</p> <p>NO: This committee must be dissolved in accordance with the “Dissolution Checklist” available at www.ethics.ok.gov</p> <p style="color: red;">Note: A new candidate committee will not have surplus funds available until the office for which the committee is formed is decided. Candidates may prefer to wait to form a new committee until they are ready to raise/spend funds for the next election. See next section or surplus funds information.</p>
<input type="checkbox"/> Dispose of 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 <p>YES: A candidate committee that has assets must dispose of the assets as follows:</p> <ul style="list-style-type: none"> • Sell the Assets. Sell assets for Fair Market Value including to officers, candidates, and their family members. <ul style="list-style-type: none"> ○ Deposit funds into Committee Depository. Report funds from the sale as “other funds” not contributions. • Transfer Asset(s) to the new committee. Transferred assets will be reported as an “in-kind” expenditure by the existing committee and an “in kind” contribution by the 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 with outstanding balances • Outstanding invoices for goods (signs, t-shirts, etc.) • Any other debt <p>YES: The candidate committee must do the following to resolve debt.</p> <ul style="list-style-type: none"> • Sell assets. Pay off debt through funds raised through sale of assets. See step on “Dispose Committee Assets”. • Resolve Debt in a Commercially Reasonable Manner. Resolve debt in a commercially reasonable manner. This would be the way the vendor would resolve any other outstanding debt in the normal course of business. <p style="margin-left: 20px;">Report the resolution of debt. The committee must show how debt is resolved on Schedule J on its final report.</p> • Resolve Debt in a manner that is not Commercially Reasonable and report the value as a contribution. <p style="margin-left: 20px; color: red;">CAUTION: Debt that is resolved this way is subject to the applicable contribution limits. Debt from a corporation cannot be resolved this way due to prohibitions on corporate contributions.</p> • Loan forgiveness. Outstanding loan balances may be able to be “forgiven”. <ul style="list-style-type: none"> ○ Candidate loan: A candidate can forgive an unlimited amount of any outstanding loan balance to their own candidate committee. ○ Other 3rd Party (Individual(s)). The forgiven debt is considered a contribution to the candidate committee and subject to contribution limits. Individuals can only lend up to the contribution limits which will be no more than \$2,700 per lender per loan. ○ Commercial Lender. Loans from commercial lenders in the business of lending money will not usually be able to “forgive” debt due to the prohibition against corporations making contributions to candidate

committees.

Report loan forgiveness using the “Loans” tab in The Guardian System.

- **Transfer Debt to New Committee.** Transferred debt must be reported as follows:
 - **Prior Committee.** The transfer of “debt” is noted on Schedule J of the existing committee’s final report;
 - **New Committee.** The transfer of “debt” **must** also be reported on the new committee’s first report as a “debt from prior committee.” This is on the filing page where the report can be “previewed” or filed.

NO: Move on to the next step.



Dispose of Surplus Funds

Does the Committee have funds in excess of what is needed to pay any officeholder expenses or campaign expenses?
Has the office for which the committee was formed been decided?

YES: A committee that answers “yes” to **BOTH** questions has surplus funds and can use them as described below.

- **Transfer to New Committee.** Transfer the funds for use in a future campaign for **state** office. Current officeholders may use up to the amount of funds transferred to a new committee for officeholder expenses of the current term. Surplus funds **cannot** be transferred from a state committee to a federal, county, municipal or school/technology center district campaign.
- **Donate to a 501(c)(3).** Donate 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 the contributor contributed to the committee.
- **Contribute to a Party Committee.** Up to \$25,000 in total may be contributed to political party committees.

NO: A committee that answers “no” to **either** question does not have surplus funds. Go to the next step.



Register New Committee

Register a new committee for the next campaign in The Guardian System at www.guardian.ok.gov.

- Candidates can register at any time, but they are required to register within 10 days of receiving contributions or making expenditures in excess of \$1,000.
- Review the “Guide for Candidate Committees” available on the Ethics Commission website at www.ethics.ok.gov and also review the “New Committee Checklist”.
- Open a new depository account in the name of the new candidate committee.

NOTE: After a new committee is registered the “old” committee must dissolve within 60 days and can no longer accept contributions. The new committee is the only committee that may accept contributions.



File a “FINAL REPORT”

A final report is required for all committees. Final reports are only filed **after** filing any currently due or outstanding reports. Click on the “Dissolve Committee” button above the required filings grid to begin the “final report”.

Final Reports include information not reported on other reports such as:

- States the report is a “final report”;
- States whether the committee is closing with “debt” and how the committee has resolved debt (if any); and
- Shows a transfer of surplus funds to the new committee (if any).

Candidate committees may only dissolve and file a Final Report when the Report shows an ending balance of “0”, all assets have been sold or transferred, and all debts have been resolved.



Bank Statements

Be prepared to provide the Commission with the committees last 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.



Maintain Financial Records

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.

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