



OKLAHOMA ETHICS COMMISSION

DISSOLVING A 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?	<p>Is the candidate running for another state-level office (not federal, county, municipal, or school district)?</p> <p>YES: Use the checklist for “Transitioning to a New Candidate Committee” available at www.ethics.ok.gov</p> <p>NO: Use this “Dissolution Checklist”</p>
<input type="checkbox"/> Office Holder?	<p>Was the candidate elected to 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, committee operating expenses, to pay off outstanding loans and other campaign debt, and/or surplus funds, until its mandatory dissolution date. See the <i>Mandatory Dissolution</i> section below. If ready to dissolve committee, continue with checklist.</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 may 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 current term of office is completed. Continue with checklist if ready to dissolve • NO. The candidate committee has two years after the election for which the committee was formed to dissolve and file a final report with the Ethics Commission. Continue with the dissolution checklist.
<input type="checkbox"/> Calendar Mandatory Dissolution Date	<p>Determine the mandatory dissolution date and calendar it to ensure the committee is dissolved timely.</p> <ul style="list-style-type: none"> • Not elected: Dissolve no later than 2 years after the general election. • Elected: The dissolution date is tied to the term of office for which the candidate was elected and will be either 2, 4, or 6 years after the general election. For example, a candidate elected during the 2020 elections to a 4 year term of office will be required to dissolve no later than November 3, 2024. <p>Funds remaining in a committee 90 days after the mandatory dissolution date will be forfeited to the general revenue fund.</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 furniture or equipment (desk, copiers, etc.) • Appliances (coffee maker, refrigerator, etc.) • Electronics (iPad, cell phones, cameras, etc.) • Any other tangible asset(s) <p>YES: The committee may:</p> <ul style="list-style-type: none"> • Sell the Assets. Sell assets for Fair Market Value (FMV), even to officers, candidates, and family members. <ul style="list-style-type: none"> ○ Deposit funds into Committee Depository. Report funds received as “other funds” not contributions. ○ Keep records of the sale. Keep all records of the sale and how FMV was determined for at least 4 yrs. <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 • Outstanding invoices for goods • Loans • Any other debts or outstanding payments <p>NO: Move on to the next step.</p> <p>YES: Review the following:</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 amount is a contribution to the candidate committee and subject to contribution limits. ○ Forgiveness is reported using the “Loans” tab in The Guardian System.

Resolve Debt continued	<ul style="list-style-type: none"> • 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,” 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"> ○ If not resolved in a commercially reasonable manner, 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.
<input type="checkbox"/> Dispose of Surplus Funds	<p>1) Does the committee have funds in excess of what is needed to pay any officeholder expenses (only officeholders will have officeholder expenses) or campaign expenses?</p> <p>2) Has the office for which the committee was formed been decided?</p> <p>NO: A committee that answers “no” to either question does not have surplus funds. Go to the next step.</p> <p>YES: A committee that answers “yes” to BOTH questions has surplus funds that can be used as listed below.</p> <ul style="list-style-type: none"> • Transfer to New Committee. Transfer the funds for use in a future campaign for <u>state</u> office (not federal, county or school district). Current officeholders may use up to the amount of funds transferred to a new committee for officeholder expenses of the current term. • 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; so long as a contributor does not receive more money than contributed. • Contribute to a Party Committee. Up to \$25,000 in total may be contributed to political party committees. • Give Item(s) to a 501(c)(3) Fund-raiser Auction. Surplus funds may be used to purchase items for a 501(c)(3) charitable organization following the provisions in Ethics Rule 2.48(F). • Donated to the State or Local Government. Surplus funds may be donated to the State of Oklahoma, an agency, or to any county, city, town or school district following provisions of Title 60 O.S. §381 <i>et seq.</i>
<input type="checkbox"/> Save online records	<p>Print off and/or save all online documents including bank documents and/or statements before closing accounts. Bank statements may be requested by Commission staff after filing a final report.</p>
<input type="checkbox"/> File a Final Report	<p>A final report is required for all committees but may only be filed after filing any currently due or outstanding reports, and only when there is an ending balance of “0,” all assets have been sold or transferred, and all debts have been resolved.</p> <p>Final Reports include information not reported on other reports such as whether the committee is closing with debt; how the committee has resolved debt (if any); and the transfer of surplus funds to the new committee (if any). Click on the “Dissolve Committee” button above the required filings grid to begin the “final report.”</p>
<input type="checkbox"/> Maintain Financial Records	<p>The committee must retain all receipts, bank statements and other documentation supporting the Contributions and Expenditures Reports for at least FOUR (4) years. The committee is required to provide these documents to the Ethics Commission upon request.</p>
<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.</p>	