

**2018 - 2019**

# **Guide for Candidates**

**(School District)**



**Oklahoma Ethics Commission**

*FAIR RULES. FIRM ENFORCEMENT.*



"This publication is issued by the Oklahoma Ethics Commission as authorized by Executive Director, Ashley Kemp, pursuant to Ethics [Rule 1.8](#), and is located at the following website: <http://www.ethics.ok.gov>. This publication has been submitted in compliance with [Section 3-114 of Title 65 of the Oklahoma Statutes](#)." Guides are updated annually in July. This Guide was updated on **July 1, 2018**.

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### The Commissioners

- **Cathy Stocker** – re-appointed by Attorney General Mike Hunter, term expires July 2023
- **Karen Long** – re-appointed by Speaker of the House Jeff Hickman, term expires July 2019
- **John Hawkins** – appointed by Senate President Pro Tempore Brian Bingman, term expires July 2019
- **Holly Johnson** – appointed by Chief Justice John Reif of the Oklahoma Supreme Court, term expires July 2021
- **Charles Laster** – appointed by Governor Mary Fallin, term expires July 2022

## I. Introduction

### What Is the Oklahoma Ethics Commission?

The Oklahoma Ethics Commission (“Commission”) is a state agency created by a vote of the people of Oklahoma in 1990 by adding Article 29 to the Oklahoma Constitution. The Constitution requires the Commission to promulgate Rules of ethical conduct for campaigns for state office, campaigns for initiative and referenda, and state officers and employees. The Commission has limited statutory jurisdiction for campaigns at the local levels, such as counties, independent school and technology center districts, and certain municipalities with both a population over 10,000 in the 2010 census and a general revenue fund expenditure budget in excess of Ten Million Dollars.

### The Ethics Rules Application to Candidates for School District Office

The Ethics Rules apply to candidates for school district office and school district political committees via the [Technology Center District and School District Campaign Finance and Financial Disclosure Act](#).

- **“School district”** means a *technology center district* or an *independent school district*
- **“School district office”** means any elective school district office for which Declarations of Candidacy are filed with the secretary of the county election board as required by Section 13A-105 of Title 26 of the Oklahoma Statutes
- **“School district political committee”** means any committee composed of one or more persons whose purpose includes the election or defeat of one or more candidates for school district office but which is not required to register with the Ethics Commission or the Federal Election Commission. [70 O.S. § 2-111](#).

School district candidates fill out forms created by the Ethics Commission, which are found on the Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.ok.gov) under the “County, Municipal & School Reporting” tab. These forms are turned in to the School District Clerk’s office, not the Ethics Commission.

The Ethics Commission enforces the Ethics Rules, not the School District Clerk. The School District Clerk’s office is only responsible for accepting Ethics reports, maintaining Ethics reports for a period of four years after the date filed, and providing filed Ethics reports to the public via the School District Clerk’s office website or paper. [74 O.S. §§ 4258.1-4262](#) and [70 O.S. §§ 2-110-2-119](#)

### **How to Use This Guide**

This Guide summarizes the Rules of the Oklahoma Ethics Commission, as applied to candidates for school district office, effective July 1, 2018. It is written by the Commission staff to assist in compliance with the Ethics 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 school district office. Individuals who consider becoming candidates for school district office should become familiar with the relevant Constitutional and statutory provisions, as well as with the Ethics Rules.

### **This Guide Is Limited to Oklahoma Campaigns for School District Offices**

This Guide only addresses Oklahoma law—specifically the Rules of the Oklahoma Ethics Commission—and is limited to campaigns for school district offices. It does not address campaigns for federal, state, county or municipal office.

Guides and other information for state candidates are available on the Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.ok.gov) under the “Ethics Laws, Guides, & Forms” tab. The Guides and other information for county or municipal candidates is available on the Ethics website under the “County, Municipal & School Reporting” tab.

### **Advisory Opinions**

[Rule 1.7](#) authorizes the Commission to issue official advisory opinions interpreting its Rules. Such advisory opinions are binding on the Commission. 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 Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.ok.gov). School district candidates should refer to the “County, Municipal and School Reporting” tab on the Ethics Commission website. The school reporting page contains candidate forms and other information relevant to school district candidate reporting.

### **Contacting the Commission**

The Ethics Commission office is located on the ground floor of the State Capitol in room G-27. The Commission’s office hours are **Monday through Friday from 8:30 a.m. to 5:00 p.m.**

- Address: State Capitol, 2300 N. Lincoln Blvd., Room G-27,  
Oklahoma City, OK 73105
- Telephone number: (405) 521-3451
- Fax number: (405) 521-4905
- E-mail: [ethics@ethics.ok.gov](mailto:ethics@ethics.ok.gov).



Ethics Commission meetings are typically held on the second Friday of every month. Information regarding the Commissioners, the Ethics Commission staff, and the Commission meeting agendas and minutes are located on the Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.ok.gov) under the “Agency Information and Continuing Education” tab.

## II. Ethics Commission Resources

### **Ethics Rules and Guides**

The Ethics Commission provides the text of its Rules, the [Technology Center District and School District Campaign Finance and Financial Disclosure Act](#), and the Candidate Guide (School District Office) on its website at [www.ethics.ok.gov](http://www.ethics.ok.gov). The guide provides an overview of the Rules and examples to assist with compliance. These resources are available under the “County, Municipal & School Reporting” tab on the Ethics website.

### **School District Candidate Checklists**

The “County, Municipal & School Reporting” tab on the Ethics Commission website includes relevant checklists for school district candidates. These checklists summarize the steps required in certain situations, such as registration requirements and transferring committee funds and assets from one committee to another.

### **Printable Ethics Forms**

All of the Ethics Forms that campaign committees file with the School District Clerk are located on the Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.ok.gov) under the “County, Municipal & School Reporting” tab.

### **Ethics Commission Staff**

The Oklahoma Ethics Commission staff is available to answer questions regarding the Ethics Rules during its regular office hours. The Ethics Commission enforces and assists with compliance of the Ethics Rules. If you have questions about compliance with or enforcement of the Ethics Rules, contact the Ethics staff.

## III. The First Step After Deciding to Run for Office: Open a Campaign Bank Account

### **Campaign Depository**

Every campaign committee must establish at least one campaign depository (e.g., a bank checking account) in a financial institution (e.g., bank) that ordinarily conducts business within the State of Oklahoma. The campaign depository is where all the campaign committee funds are transferred into and out of during the life of the committee. [Rules 2.94.](#)

The campaign depository must be independent from any other accounts, including but not limited to, personal accounts, to ensure campaign funds are not commingled with funds of any other entity or person. [Rules 2.95.](#)

**a. Campaign Depository Requirements**

- The campaign depositor(y/ies) must be established in a financial institution in the State of Oklahoma
- The campaign depository must be maintained in the name of the campaign committee. In other words, the account needs to include, but is not limited to, the following: (1) some form of the candidate's name (full name, first name, last name, etc.) and (2) the year for which the individual is seeking election (i.e., the election year).
  - **Example:** Smith for School Board 2018, Friends of John Doe 2018, or Jane for School Board 2018 would all be acceptable names for a campaign committee. Similar committee names would be acceptable for the campaign depository.
- **The campaign depository must be independent of all other accounts.** Funds should not be commingled with funds of any other entities or persons, including an individual's personal bank account.
- **ALL monetary contributions, including monetary contributions from the candidate, must be deposited in the campaign depository.** In-kind contributions will not be deposited in the campaign depository. See [section VIII](#) for more information on what contributions are and the difference between monetary and in-kind contributions.
- All expenditures must come out of the campaign depository and must be made by check or debit card, signed by the Chair, Treasurer, or Deputy Treasurer. The candidate can designate another individual to sign campaign committee checks or debit cards; however, the candidate, Treasurer, and Deputy Treasurer remain responsible for committee expenditures. [Rules 2.95.](#)

**b. Best Practice: Indicate Campaign Committee Name on Checks**

One way in which candidates can make expenditures is via check. The campaign checks should include both the campaign committee's name.

Including this information provides notice to other entities that the funds are coming from a campaign committee, as opposed to another source. It also assists those who are required to file reports with the Ethics Commission attain the information needed to properly report contributions received from a campaign committee.

**c. Campaign Depository for Committees Transitioning from One Campaign Committee to Another Campaign committee for a Future Election**

A campaign committee that is transitioning to a new campaign committee for a future campaign should shut down the current bank account and open a new bank account with the name of the new campaign committee. Providing independent bank accounts for each campaign allows for better bookkeeping, and it enables the transitioning campaign committee to identify and address discrepancies early to ensure the committee has dissolved in accordance with the Ethics Rules.

However, a campaign committee may use the same bank account from the prior campaign for the new campaign, provided the following conditions are met: (1) the funds being transferred are appropriately indicated as being transferred from one committee to the other in the Reports of Contributions and Expenditures; (2) the campaign bank account's name is updated to indicate the new campaign committee's name; and (3) the campaign depository balance is equal to the balance transferred on the Report of Contributions and Expenditures. See the Transfer Checklist on the Ethics website at

[www.ethics.ok.gov](http://www.ethics.ok.gov) under the “County, Municipal & School Reporting” tab for more information on how to transition from one campaign committee to another. [Rule 2.95](#).

#### **d. The Depository Can Earn Interest**

The campaign depository may earn interest paid by the financial institution in which the account is maintained, but the funds cannot be otherwise invested. [Rule 2.95](#).

#### **All Records Must be Maintained for 4 Years**

All records and documents must be maintained for at least a four-year period. This includes, but is not limited to, bank statements, receipts, canceled checks, and any other financial documents. These records must be made available to the Commission upon request. The records must contain sufficient information required for proper filing of Reports of Contributions and Expenditures. [Rule 2.73](#).

#### **Section Summary**

- The first step when campaigning for office is to open a campaign depository.
- The campaign depository must ordinarily conduct business in Oklahoma.
- The campaign depository name must include at least the candidate’s name (full name, first name, last name, etc.) and the year of the election.
- The campaign depository is only for funds received and spent for the campaign, and it must be independent of any other entity’s funds or personal funds.
- ALL monetary contributions must be deposited in the campaign depository, including any contributions from the candidate.
- All expenditures must come out of the campaign depository by check or debit card.
- The campaign committee name should be on all checks used by the committee.
- It is best practice to close out a bank account and open a new bank account when transitioning from a committee for a prior campaign to a new committee for a new campaign.
- All campaign committee records, financial and otherwise, must be kept for a period of four years and must be made available upon request by the Ethics Commission.

## **IV. Understanding “Candidates” and Campaign Committees**

#### **Individuals Who Are Considered Candidates Under the Ethics Rules**

An individual who has filed a Declaration of Candidacy with the county election board to have his or her name placed on the ballot may or may not be considered a “candidate” under the Ethics Rules, depending upon other factors discussed hereafter.

Under the Ethics Rules, 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’s office**. A Statement of Organization can be filed at any time, but a Statement of Organization is required to be filed within 10 days after the candidate has accepted or spent in excess of \$1,000 for his or her campaign. This includes funds spent by the candidate. See the [section VII](#) for more information on registration requirements. [Rules 2.2\(2\)](#) and [2.70](#); [70 O.S. § 2-113](#).

**Campaign Committee Formation**

Every candidate is required to have a campaign committee. A campaign committee 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](#).

Generally, a candidate may only have one campaign committee for any school district office at any time, unless the candidate is transitioning from one campaign committee to another campaign committee. See the Transfer Checklist under the "County, Municipal & School Reporting" tab at [www.ethics.ok.gov](http://www.ethics.ok.gov). [Rule 2.69](#).

**Campaign Committee Structure**

Every campaign committee is required to have a campaign depository, a Chair, and a Treasurer. For information on the campaign depository, see [section IV](#). Information on campaign committee officers and their duties is provided in [section VI](#).

A candidate may have no more than one campaign committee for any office at any time. However, there is an exception for candidates closing one committee from an old campaign and starting a new committee for a new campaign. [Rule 2.69](#).

**a. Transitioning From a Previous Campaign to a New Campaign**

Once a candidate with an active campaign committee files a Statement of Organization for another campaign committee for a new campaign, the candidate may maintain both the first campaign committee (previous campaign) and the second campaign committee (new campaign) for school district office for 60 days.

Funds or debt, or both, may be transferred from the campaign committee for the previous campaign to the new campaign committee for a future campaign. However, a candidate may not continue to raise funds for the campaign committee for the previous campaign once the new campaign committee for a future campaign is opened. Furthermore, transfers may only be made from school district campaign committee to school district campaign committee. Transfers may not be made from a school district campaign committee to a federal, state, county or municipal candidate or committee.

Again, once the new committee is registered, the committee for the previous campaign must be dissolved within 60 days. For more information on how to transfer from one committee to another, see the Transition Checklist, which is available under the "County, Municipal & School Reporting" tab. [Rule 2.69](#).

**Section Summary:**

- A “candidate” under the Ethics Rules is someone who has or should have filed a Statement of Organization with the School District Clerk’s office.
- All candidates are required to have one campaign committee.
- Candidates can only have one campaign committee open at any time, unless he/she falls within the exception that occurs during the transfer from one committee to another. When one campaign committee is transitioning to another campaign committee, the two committees may be open for 60 days.
- All campaign committees are required to have a campaign depository, Chair, and Treasurer.
- The campaign depository is required to include the name of the candidate and the year of the election.

## **V. Committee Officers and Other Individuals**

**Required Officers**

A campaign committee must have both a Chair and a Treasurer. The same person may serve as both. The candidate may serve as either the Chair or Treasurer, or both. All officers serve at the pleasure of the candidate, who may replace an officer at any time. [Rule 2.71.](#)

**a. Optional Officer: Deputy Treasurer**

A Deputy Treasurer is not a required officer, but it is recommended. This officer is the person designated to fulfill the responsibilities of the Treasurer in the event the Treasurer is unavailable. The Deputy Treasurer performs similar duties to the Treasurer and can sign committee checks or debit cards upon making expenditures. [Rule 2.71.](#)

**b. Other Officers**

In addition to the Chair and Treasurer, a campaign committee may have other officers to assist the committee with its activities. However, the additional officers do not relieve the candidate, Chair, Treasurer, or Deputy Treasurer of his or her legal responsibilities under these Rules.

**Duties of the Officers**

All officers must adhere to the Ethics Commission Rules.

The Treasurer is legally responsible for keeping the committee’s financial records and accounts, including all contributions accepted, all contributor information regardless of the value of the contribution(s), 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. All records and documents should be maintained for a period of four years. These records should be made available to the Commission upon request. The Treasurer is also responsible for the timely and accurate filing of all reports with the Commission.

When acting in place of the Treasurer, the Deputy Treasurer can perform 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. [Rules 2.17](#), [2.71](#) and [2.104](#).

**a. Vacancies in Campaign Committee Offices**

Any vacancy in the office of Chair, Treasurer, or Deputy Treasurer must be filled within 30 days. A campaign committee that is registered must file an amended Statement of Organization within 5 days after the vacancy is filled. For more information on the Statement of Organization and registration requirements, see [section VII](#). [Rule 2.74](#).

A campaign committee may not accept or expend funds when both the Treasurer and Deputy Treasurer offices are vacant. [Rule 2.72](#).

**Candidate May Not Serve as an Officer of Another Committee**

A candidate may not serve as the officer of any campaign committee, other than his or her own, or as an officer of any political action committee or school district political committee. [Rule 2.71](#).

**Section Summary**

- Every campaign committee is required to have a Chair and a Treasurer. It is also recommended that the campaign committee have a Deputy Treasurer who can perform the duties of the Treasurer in the Treasurer's absence.
- A candidate may assign other officers and officer duties; however, all officers must follow the Ethics Rules. Further, the additional officers and officer duties do not relieve the candidate, Treasurer, Deputy Treasurer or the Chair of his or her obligations.
- All officers serve at the pleasure of the candidate.
- The Treasurer is legally responsible for keeping all of the committee's financial records and accounts, as well as filing timely and accurate Reports of Contributions and Expenditures. All records must be maintained for four years and made available upon request by the Commission.
- A campaign committee cannot receive or spend funds when both the Treasurer and Deputy Treasurer offices are vacant. Vacancies of committee officers must be filled within 30 days. Committees that have filed a Statement of Organization must file an Amended SO with the School District Clerk's office within 5 days of the vacancy after the vacancy is filled.
- Candidates may serve as their own Chair and/or Treasurer; however, candidates may not serve as an officer of another campaign committee or a PAC.

## **VI. Ethics Commission Registration: The Statement of Organization**

**When to Register by Filing a Statement of Organization**

A Statement of Organization for a campaign committee may be filed with the **School District Clerk's office** at any time if the committee has not exceeded \$1,000 in contributions or expenditures. 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. This \$1,000 threshold includes any personal funds that the candidate provided to his or her campaign. If an individual who is seeking state office never accepts or spends more

than \$1,000.00, then there is no requirement to file a Statement of Organization with the School District Clerk. [Rule 2.70; 70 O.S. § 2-114.](#)

**Example 1:** In April, Joanna filed a declaration of candidacy to run for a school district seat. She opened a bank account for her committee and received \$700 in contributions. Joanna spent \$100 on signs for her campaign. Joanna is not yet required to register with the School District Clerk's office because she has not exceeded the \$1,000 threshold; however, Joanna could voluntarily register with the School District Clerk.

**Example 2:** Same facts as above, except, on June 5th, Joanna received another \$800 in contributions for her campaign. She is now required to file a Statement of Organization with the School District Clerk within 10 days because she exceeded the \$1,000 threshold. [Rule 2.70.](#)

### **Where a Statement of Organization Must Be Filed: School District Clerk's Office**

All Statements of Organization must be with the **School District Clerk**. The Statement of Organization is found on the Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.ok.gov) under the "County, Municipal, and School Reporting" tab. Once the Statement of Organization is properly filled out, it must be turned in to the School District Clerk's office. The Statement of Organization is due on the date specified, or by the next business day if the due date falls on a weekend and holiday, by the close of business at the Municipal Clerk's office. [Rule 1.4; 70 O.S. § 2-113.](#)

#### **a. Filed Reports are Public Records**

All Statements of Organization and other reports filed with the School District Clerk's office are public record. The public may request these records, and the school district clerk must provide these records upon request.

The School District Clerk must maintain Statements of Organization for four years after the date the Statement of Organization, if not posted on the school district's website.

The school district clerk's office may post submitted Statements of Organization on its website, if it has that capacity. [70 O.S. § 2-116.](#)

### **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 applicable, the name of the Deputy Treasurer;
3. the name of the committee, which must at least include (1) the candidate's name (i.e., the full name, first name, middle name or last name of the candidate) and (2) the year of the general election or special election for which the office will be filled (e.g., Jane Doe 2018, Doe for School Board 2018 or Jane for School Board 2018);
4. the official and complete name of the school district office for which the candidate seeks election;



5. the candidate's party affiliation, if any;
6. the mailing address and, if applicable, the residence address, electronic mailing address (email), telephone numbers and Internet website, if applicable, of the campaign committee, the candidate, the Chair, Treasurer, and, if applicable, the Deputy Treasurer; and
7. the full name and address of each depository in which the committee will maintain an account (e.g., First Bank, 555 Oklahoma City, OKC, 73105). [Rule 2.75](#).

**a. Officer Information Must be Specific to Each Officer**

If there are multiple individuals serving as officers in a campaign committee, the Statement of Organization needs to include each officer's individual contact information. [Rule 2.75](#).

**Amending the Statement of Organization**

The candidate is responsible for notifying the School District Clerk's office of any change in information provided in the Statement of Organization by filing an Amended Statement of Organization with the within 10 days of any change. [Rule 2.75](#). However, an Amended Statement of Organization is required within 5 days after a committee officer vacancy is filled. [Rule 2.74](#).

**a. Vacancies in Campaign Committee Offices**

Any vacancy in the office of Chair, Treasurer, or Deputy Treasurer must be filled within 30 days. Committees that have already filed a Statement of Organization ("SO") with the School District Clerk are required to file an amended SO within 5 days after the vacancy is filled. [Rule 2.74](#).

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](#).

**How Long Records Should Be Kept**

All records and documents required to be kept by the Treasurer must be maintained for at least four years. These records must be made available to the Commission upon request. [Rule 2.73](#); [70 O.S. § 2-116](#).

**Section Summary**

- An individual is required to register with the **School District Clerk's office** once they spend or receive in excess of \$1,000 for their campaign for school district office, which includes any funds used by the candidate for his or her campaign.
- Register by filing a Statement of Organization with the **School District Clerk's office**.
- The contents of the Statement of Organization include the campaign committee information and officer contact information. Each officer must include his or her own individual contact information.
- The candidate is responsible for notifying the School District Clerk's office when there is a change of information in the Statement of Organization by filing an amended Statement of Organization within 10 days of any change. Officer changes require an amended Statement of Organization to be filed within 5 days from which the vacancy was filled.
- All campaign committee documents and records must be kept for a period of 4 years.

## VII. Understanding Contributions

### **What a Contribution Is**

Generally, a contribution is anything of value given to a campaign committee. Contributions may be either monetary or “in-kind.” Monetary contributions are made in cash (up to \$50 per contributor) or through “written instruments,” such as a personal check or a credit card authorization. “In-kind” contributions are goods or services provided to the campaign committee. [Rule 2.2\(6\)](#).

#### **a. All Contributions are Aggregated**

All contributions—monetary and in-kind—that each individual or entity provides to a campaign committee are aggregated to ensure that the individual or entity does not exceed the contribution limits.

**Example:** Jana, a candidate for school district office, received a check for \$200 and a chair for her campaign office (valued at \$300) from Paul. Paul has given \$500 worth of contributions to Jana’s campaign (\$200 monetary contribution + \$300 in-kind contribution = \$500 in the aggregate).

#### **b. Contributions Must Be Voluntary**

Contributions must be voluntarily given to the candidate or campaign committee by a contributor. Contributions cannot be coerced or exchanged for any advantage. [Rule 2.91](#).

#### **c. Contributions Cannot Be Reported in the Name of Another**

A contribution must be reported in the name of the person or entity that actually made the contribution. An individual or entity may not, directly or indirectly, provide another individual or entity with funds for the purpose of making a campaign contribution so the contribution is reported by the recipient as received from the second individual or entity. 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](#).

**Example:** Jane is running for a school district office. Tom wants to give her a contribution but does not want anyone to know his identity. Tom speaks with Jane about his concern. He gives Jane \$200 to her campaign but asks Jane to report the contribution as coming from someone else. Jane may not accept this contribution and report the \$200 as coming from anyone other than Tom. If Jane accepted such a contribution, she would be in violation of the Ethics Rules and may also be subject to criminal violations for intentionally reporting false information.

#### **d. 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 a contribution by the contributor to the candidate or candidates. [Rules 2.31](#) and [2.33\(A\)](#). This Rule is intended to prevent the laundering of funds through political parties and PACs to candidates in violation of Ethics Rules, including the Rule that requires contributions to be reported in the name of the actual contributor. Again, all contributions must be reported in the name of the person who made the contribution; contributions cannot be reported in the name of another. [Rule 2.18](#).

**Example:** Jane is running for a school district office. Tom wants to give her a contribution but does not want anyone to know that he gave a contribution to Jane’s campaign. Tom gives Political Action Committee X \$200 and specifies that the \$200 is for Jane’s campaign. This is a contribution from Tom to

Jane. Tom should have given the contribution directly to Jane for her campaign. Individuals cannot launder funds through PACs (or other committees) to candidates.

**e. When an Expenditure Is a Contribution**

Contributions include expenditures made on behalf of a campaign committee. 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\(6\)](#).

**f. Volunteer Services Are Not Contributions**

The value of volunteer services is not considered a contribution by an individual who volunteers his or her 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, social media, or similar electronic devices or services for campaign communications, such use is not considered a contribution but is considered a volunteer service. [Rule 2.111](#). However, when a commercial entity uses telephone, electronic mail, social media, or similar devices or services for campaign communications, it is considered an in-kind contribution to the campaign committee, unless the campaign committee pays for the use. [Rule 2.112](#).

**Example:** John Smith owns Smith's Website Design, Inc. John volunteers to create a website for Jane Doe for School Board 2018. If John uses a computer and software program owned by Smith's Website Design, Inc. to create the website for the candidate without compensation, the service provided is a prohibited corporate contribution.

**g. Discounts Provided Only to the Campaign Committee or Candidate for Goods or Services are Considered In-kind Contributions**

Discounts that are provided only to the campaign committee or candidate, as opposed to the general public, are considered in-kind contributions to the campaign committee. Such discounts provided by a corporation or labor union are prohibited. [Rule 2.2\(6\)](#)

**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 in the appropriate Report of Contributions and Expenditures as having been accepted and refunded. [Rule 2.22](#) and [2.95](#).

**Section Summary**

- Contributions are either monetary or in-kind (i.e., goods or services) given to a campaign committee. Monetary and in-kind contributions are aggregated per contributor.
- Contributions must be given voluntarily.
- Contributions shall be reported in the name of the actual contributor.
- Services provided free of charge from an individual are volunteer services, not contributions.
- Goods or services provided free of charge from an organization are in-kind contributions.
- Contributions not deposited within 10 business days are deemed accepted, must be returned to the contributor, and must be reported as received and refunded.

**VIII. Permissible Contributions & Contribution Limits****Who May Make Contributions to a Campaign Committee?**

The following persons and entities may contribute to a school district candidate, subject to the applicable contribution limits:

<b>Individual</b>	<b>Another Campaign Committee for School District Office</b>	<b>Limited Political Action Committees (PACs)</b>	<b>Political Party Committees</b>
-LLCs -Partnerships -Indian Tribes -Candidate to his/her own campaign		-Oklahoma PACs -School District Political Committees -*Out-of-State PACs -*Federal PACs  *Provided the PAC does not receive corporate contributions	

**a. Candidates Prohibited from Receiving Excessive Contributions**

All of the contributions received from a contributor are aggregated (monetary and in-kind contributions). All contributors are limited in the amount of contributions in the aggregate s/he/it can provide to a campaign committee, and all campaign committees are limited in the amount of contributions they can accept from each contributor. In other words, it is a violation of the Rules by both the contributor and the recipient if the maximum contribution limits are exceeded. [Rules 2.34](#) and [2.38](#).

**Contributions from an Individual—Limited to \$2,700 Per Election That the Candidate’s Name Appears on the Ballot**

Generally, any individual or other person—except corporations and labor unions—may make contributions to a campaign committee, subject to the contribution limits. 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. The name, address, occupation and employer are required for all contributors regardless of the amount, unless otherwise provided in these Rules. [Rule 2.17](#).

**a. Maximum Individual Contribution Limits 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 next adjustment will be considered before July 1, 2019. [Rule 2.37\(H\)](#)

**b. Contribution Limits for Candidates in Multiple Elections Reset for Each Election: the Primary, Runoff Primary and/or General Election**

If a candidate participates in more than one election, the contribution limits will reset for each election. The contribution limit is tied to the election, and contribution limits not met in prior elections cannot be made up for in subsequent elections. [Rule 2.37.](#)

**i. Contributions to Unopposed Candidates**

When a candidate is unopposed, an individual may make one or more contributions, which together do not exceed the maximum contribution limit of \$2,700 to the candidate's campaign. [Rule 2.37.](#)

**ii. Contributions to Candidates in the Primary Election**

Individuals may make one or more contributions to a campaign committee, which together, do not exceed \$2,700 prior to the primary election. [Rule 2.37\(A\).](#)

**iii. Contributions to Candidates in the Runoff-Primary Election**

Regardless of whether an individual has made a prior contribution, an individual may contribute up to \$2,700 to a campaign committee after the primary election but before the runoff primary election, but only if the candidate's name appears on the ballot at the runoff primary election. [Rule 2.37\(B\).](#)

**iv. Contributions to Candidates in the General Election**

An individual may contribute up to \$2,700 to a campaign committee prior to the general election if the candidate receives the party nomination in a contested primary or runoff primary election, regardless of whether the individual has made a prior contribution, but only if the candidate's name appears on the ballot at the general election. [Rule 2.37\(C\).](#)

**v. Contributions After the General Election**

After the general election, an individual who has not provided previous contributions or has contributed less than \$2,700 in the aggregate may make an additional contribution to a campaign committee that does not exceed \$2,700 when aggregated with prior contributions. [Rule 2.37\(D\).](#)

**vi. Examples of Maximum Contribution Limits from an Individual Contributor Based on The Number of Elections for Which the Candidate's Name Appears on the Ballot**

The following indicates the maximum amount of contributions from an individual to a campaign committee depending upon the number of elections that a candidate's name appears on the ballot:

- **Candidates in one election:**
  - Up to \$2,700 total if the candidate is unopposed
  - Up to \$2,700 total if the candidate's name only appears on the primary election ballot
  - Up to \$2,700 total if the candidate's name only appears on the general election ballot

- **Candidates in two elections:**
  - Up to \$5,400 total if the candidate's name appears on both the primary election and runoff primary election ballots (i.e., up to \$2,700 prior to each election)
  - Up to \$5,400 total if the candidate's name appears on both the primary election and general election ballots (i.e., up to \$2,700 prior to each election)
- **Candidates in three elections:**
  - Up to \$8,100 total if the candidate's name appears on the primary election, runoff primary election and general election ballots (i.e., up to \$2,700 prior to each election)
- **After the General Election**
  - After the general election, an individual contributor that has not previously contributed or that has contributed less than \$2,700 in the aggregate may make one or more additional contributions to a campaign committee that does not exceed \$2,700 when aggregated with prior contributions.

The maximum contribution limits are specific to each election. Contribution limits not met in one election cannot be made up in a subsequent election. Alternatively, contributions for future elections may not be pre-paid. [Rule 2.37.](#)

**Example 1:** Susan, an individual contributor, gave a \$1,000 contribution prior to the primary election to Pam, a candidate for school district office. Pam's name appears on the ballot at the primary election. After the primary election, Pam's name was placed on the ballot for the runoff primary election. Susan, the contributor, can make an additional contribution of up to \$2,700 to Pam prior to the runoff primary election. Susan cannot make up for the \$1,700 she did not give in the primary election in the runoff primary election because each contribution limit is specific to each election.

**Example 2:** John, an individual contributor, gave a contribution of \$100 prior to the primary election to Jane, a candidate for school district office. Jane's name appeared on the ballot for the primary and general elections. After the general election, John can give up to \$2,600 to Jane's campaign committee.

#### **c. Individual Contributions from Couples or a Joint Checking Account**

Contributions from individuals are reported on an individual basis even when received from a joint checking account. Spouses each have a \$2,700 individual contribution limit for a campaign committee. In other words, a married couple could contribute up to \$5,400 at each permitted interval in the election process.

Committees that receive contributions via check drawn on a joint checking account must determine from the contributor(s) how much of the contribution to allocate to each account holder. The contribution should not be reported as a single contribution from the joint account holders. If a contribution is to be split equally, the contribution should be reported by evenly dividing the total amount on the check by the individuals on the check and reporting them as separate contributions from each individual. If the contributor specifies the contribution is only from one of the individuals listed on the check, then the report should attribute the entire amount to the designated contributor. [Rule 2.37.](#)

**Example:** Susan, a candidate for school district office, received a \$1,000 check from the joint bank account of John and Jane Smith. Susan needs to find out from the Smiths how much of the contribution to allocate to each individual. Susan calls the Smiths and learns that John would like to provide the entire \$1,000 to Susan's committee. Susan must report the \$1,000 contribution as coming from John Smith, not as a \$1,000 contribution from both John and Jane Smith.

**d. Limited Liability Company (LLC) or Partnership—Each Member or Partner is Limited to \$2,700 Per Election That the Candidate's Name Appears on the Ballot**

Individuals who are members of a limited liability company ("LLC") or partners of a partnership may make contributions to a campaign committee using LLC or partnership funds, provided (1) the contribution(s) is split amongst all members or partners according to each member's or partner's ownership interest and (2) none of the members or partners are incorporated.

The owners of a limited liability company are called "members." The owners of a partnership are called "partners." Contributions by a LLC are reported as contributions from each individual member of the LLC in proportion to each member's ownership interest. Contributions by a partnership are reported as contributions from each individual partner in proportion to each partner's ownership interest. The amounts contributed through the LLC or partnership count toward the contribution limits of each individual member or partner. [Rule 2.24](#), [2.25](#), and [2.106](#).

**Example 1:** XYZ LLC is owned equally by two members—Jane Doe and John Smith. The LLC made a \$1,000 contribution to Bob, a candidate for school district office. The campaign committee may accept the check from the LLC, but the campaign committee would report the contribution as \$500 from Jane Doe and \$500 from John Smith.

**Example 2:** Jane Doe and John Smith, Inc. are equal members of XYZ LLC. The LLC cannot make a contribution to a campaign committee because the contribution includes prohibited corporate funds.

**e. Indian Tribes—Each Non-Incorporated Indian Tribe is Limited to \$2,700 per Election That the Candidate's Name Appears on the Ballot**

Indian tribes follow the individual contribution limit and may contribute up to \$2,700 per election that the candidate's name appears on the ballot. The contribution limit applies to the tribe as a whole per candidate and is reported as coming from the tribe under the contributor type "Indian Tribe."

If the tribe is incorporated, the candidate committee is prohibited from accepting the contribution due to the corporate contribution restrictions.

If the contribution received from a tribe is actually a contribution from the tribe's political action committee ("PAC"), then the contribution limits for a PAC applies and the contribution must be reported as coming from the PAC. See the guide for Limited Political Action Committees for more information on contributions from PACs. [Rules 2.23](#), [2.33](#), and [2.37](#).

**A Candidate to His or Her Own Campaign Committee—Unlimited Contributions**

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. The individual contribution limit does not apply to the candidate providing contributions to his or her campaign. All monetary contributions provided by the candidate are required to be deposited into the depository prior



to expenditure from the campaign committee. All contributions from the candidate to his or her committee must be reported in a Report of Contributions and Expenditures.

However, a candidate's spouse who makes a contribution solely from his or her funds, not from joint funds between the candidate and spouse, is subject to the individual contribution limits. [Rules 2.38](#) and [2.95](#).

### **Special Limit on Nontaxable Gifts**

A gift or gifts 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 3 of the preceding 5 calendar years, assuming the candidate makes a similar contribution to his or her campaign. [Rule 2.38](#).

### **Cash Contributions—Limited to \$50 in the Aggregate per Contributor**

The maximum amount of a cash contribution is \$50 in the aggregate per contributor. This is an aggregate amount, i.e., all cash contributions from a single contributor added together may not exceed \$50. The \$50 cash contribution does count toward that individual's \$2,700 contribution limit.

If an individual meets the \$50 cash contribution limit for a candidate, that individual can still contribute up to the individual contribution limit to that candidate, but it must be made through another method of payment other than cash, such as a check, credit card, or in-kind contribution.

If a candidate or campaign committee receives a cash contribution of over \$50, the candidate must (1) forfeit that contribution to the State Treasurer for the General Revenue fund of Oklahoma if the recipient cannot identify the donor or (2) reject the contribution from a known contributor.

The candidate must retain the name, address, occupation and employer of each contributor regardless of the amount of the contribution. Candidates must make "best efforts" to identify all contributors. If a contributor can be identified by using best efforts, the candidate must make such efforts to identify the contributor and report the contribution in accordance with these Rules, which includes the contributor's name, address, occupation and employer. [Rules 2.17](#) and [2.19](#).

**Example:** Paula gave a \$50 cash contribution to Gary, a candidate for school district office, prior to his primary election. Paula can no longer give contributions in the form of cash to Gary's campaign. However, she may still give up to \$2,650 in contributions via check, credit card, or goods or services (in-kind) to Gary's campaign prior to the primary election.

### **Anonymous Contributions—Limited to \$50 in the Aggregate per Contributor**

The maximum amount of anonymous contributions is \$50 in the aggregate per contributor. Anonymous contributions are not contributions where an individual desires to remain anonymous or otherwise not identified. A contribution from a known contributor must be reported as coming from that contributor.

Candidates must make best efforts to identify all contributors. If a contributor can be identified by using best efforts, the candidate must make such efforts to identify the contributor and report the contribution in accordance with these Rules.

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 Oklahoma. [Rule 2.20](#).

**Example:** Gary, a candidate for school district office, is talking with a group of supporters when someone walks by and hands him a \$100 bill. Gary may keep \$50 as an anonymous contribution but must pay \$50 to the General Revenue Fund of Oklahoma.

**Contributions from Another Campaign Committee—Limited to \$2,700 Total per Campaign**

A school district campaign committee formed after January 1, 2015 may receive a contribution from another school district campaign committee formed after January 1, 2015. The maximum amount of such a contribution is \$2,700 in the aggregate regardless of the number of elections in which the candidate's name appears on the ballot.

Candidates may only contribute to other campaign committees that are at the same level of elective office. For example, a school district candidate can only give contributions to another school district candidate. A school district candidate cannot give a contribution to a federal, state, county, or municipal. Rule [2.37\(F\)](#).

**Contributions from Limited Political Action Committee or School District Political Committee to Candidates—Limited to \$5,000 per Election That the Candidate's Name Appears on the Ballot**

A limited committee and school district political committees may contribute to a campaign committee, subject to the contribution limits. A limited committee is a political action committee ("PAC") organized to make contributions to candidates and is subject to contribution limits. 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 school district office but which is not required to register with the Ethics Commission or the Federal Election Commission. Rules [2.2\(13\)](#), [2.33](#), and [2.106](#).

Generally, a limited political action committee ("limited committee") and a school district political committee may make a maximum contribution of up to \$5,000 per election that a candidate's name appears on the ballot.

A campaign committee is required to report the PAC's identification number in its Report of Contributions and Expenditures. This may be the number issued by the Ethics Commission, the number issued by the Federal Election Commission (FEC), or the number issued by another state. [Rules 2.2\(13\)](#), [2.33](#) and [2.106](#).

***i. Contributions to Unopposed Candidates***

Each limited committee and school district political committee may contribute up to \$5,000 total to a candidate who is unopposed. [Rule 2.33\(H\)](#).

***ii. Contributions to Candidates in the Primary Election***

Each limited committee and school district political committee may contribute no more than \$5,000 to a campaign committee prior to a primary election. [Rule 2.33\(D\)](#).

***iii. Contributions to Candidates in the Runoff-Primary Election***

Regardless of whether a limited committee or school district political committee has made a prior contribution, the committee may contribute up to \$5,000 to a campaign committee after the primary election but before the runoff primary election, only if the candidate's name appears on the ballot at the runoff primary election. [Rule 2.33\(E\)](#).

**iv. Contributions to Candidates in the General Election**

Each limited committee and school district political committee may contribute up to \$5,000 to a campaign committee prior to the general election if the candidate receives the party nomination in a contested primary or runoff primary election, regardless of whether the PAC or school district political committee has made a prior contribution, but only if the candidate's name appears on the ballot at the general election. [Rule 2.33\(F\)](#).

**v. Contributions After the General Election**

As of May 3, 2018, a limited committee and a school district political committee may make a contribution or contributions in an amount that, when aggregated to prior contributions to a candidate's campaign, does not exceed \$5,000. Such contributions should only be solicited to pay off debt, operating expenses, and/or, if the candidate is a current officeholder, to use for officeholder expenses. Committees are prohibited from receiving contributions after the general election to raise fund funds for a future campaign. [Rule 2.33\(G\)](#).

**Example 1:** Jaqueline is running for school district office, and her name appears on the ballot in the primary, runoff, and general elections. PAC X, a limited committee, gives her \$1,000 before the primary, \$2,000 before the runoff, and \$1,000 before the general election. After the general election, PAC X may contribute up to \$1,000 to Jaqueline's campaign.  $(\$5,000 \text{ (contributions limit)} - [\$1,000 \text{ (pre-primary contributions)} + \$2,000 \text{ (pre-runoff contributions)} + \$1,000 \text{ (pre-general contribution)}]) = \$1,000$  available for contributions by PAC X after the general election.)

**Example 2:** Melvin is running for school district office, and his name is on the ballot in the primary, runoff and general elections. PAC X, a limited committee, gives him \$2,000 before the primary, \$1,000 before the runoff, and \$2,000 before the general election. PAC X is prohibited from providing a contribution to Melvin's campaign after the general election because PAC X has given Melvin \$5,000 total.  $(\$5,000 \text{ (contributions limit)} - [\$2,000 \text{ (pre-primary contributions)} + \$1,000 \text{ (pre-runoff contributions)} + \$2,000 \text{ (pre-general contribution)}]) = \$0$  available for contributions by PAC X after the general election.)

**vi. Examples of Maximum Contribution Limits From a Limited Committee or School District Political Committee Based on The Number of Elections For Which the Candidate's Name Appears on the Ballot**

The following indicates the maximum amount of contributions from a limited committee or school district political committee to a campaign committee depending upon the number of elections that a candidate's name appears on the ballot:

- **Candidates in one election:**
  - Up to \$5,000 total if the candidate is unopposed
  - Up to \$5,000 total if the candidate's name only appears on the primary election ballot
  - Up to \$5,000 total if the candidate's name only appears on the general election ballot
- **Candidates in two elections:**
  - Up to \$10,000 if the candidate's name appears on both the primary election and runoff primary election ballots (i.e., up to \$5,000 prior to each election)
  - Up to \$10,000 if the candidate's name appears on both the primary election and general election ballots (i.e., up to \$5,000 prior to each election)

- **Candidates in three elections:**
  - Up to \$15,000 total if the candidate's name appears on the primary election, runoff primary election and general election ballots (i.e., up to \$5,000 prior to each election)
- **After the general election:**
  - After the general election, a political action committee that has not previously contributed or that has contributed less than \$5,000 in the aggregate may make one or more additional contributions to a campaign committee that does not exceed \$5,000 when aggregated with prior contributions. (This Ethics Rule became eff. May 3, 2018.)

The maximum levels are specific to the next election. Contribution limits not met in one election cannot be made up in the previous election. [Rule 2.33](#).

**Example:** Jane Smith is a candidate for school district office. Her name appears on the ballot for both the primary and runoff primary elections. ABC school district political committee gave a contribution of \$1,000 to Jane Smith prior to the primary election. ABC school district political committee may make an additional contribution of \$5,000 prior to the runoff primary election. ABC school district political committee, however, could not give a contribution prior to the runoff primary election of \$5,000 and an additional \$4,000 to make up for the difference not contributed prior to the primary. Also, ABC school district political committee cannot contribute to Jane prior to the general election because Jane's name is not on the ballot for the general election.

**a. 1/25 Committees**

A limited committee that has been registered with the Ethics Commission for less than a year prior to a primary election or that has fewer than 25 contributors is subject to smaller contribution limits than traditional limited committees. These PACs or school district political committees are unofficially called 1/25 committees. A campaign committee may receive contributions from a 1/25 PAC or a school district political committee, subject to the specified contribution limits.

Such limited committees may make contributions to campaign committees subject to maximum limits that are exactly half the amount of maximum contributions by other limited committees or school district political committees, i.e., \$2,500 rather than \$5,000.

A campaign committee is required to report the PAC's Ethics identification number in its Report of Contributions and Expenditures.

**vii. *Examples of Maximum Contribution Limits From a 1/25 Limited Committee Based on the Number of Elections For Which the Candidate's Name Appears on the Ballot***

The following indicates the maximum amount of contributions from a 1/25 limited committee to a campaign committee depending upon the number of elections that a candidate's name appears on the ballot:

- **Candidates in one election:**
  - Up to \$2,500 total if the candidate is unopposed
  - Up to \$2,500 total if the candidate's name only appears on the primary election ballot

- Up to \$2,500 total if the candidate's name only appears on the general election ballot
- **Candidates in two elections:**
  - Up to \$5,000 total if the candidate's name appears on both the primary election and runoff primary election ballots (i.e., up to \$2,500 prior to each election)
  - Up to \$5,000 total if the candidate's name appears on both the primary election and general election ballots (i.e., up to \$2,500 prior to each election)
- **Candidates in three elections:**
  - Up to \$7,500 total if the candidate's name appears on the primary election, runoff primary election and general election ballots (i.e., up to \$2,500 prior to each election)
- **After the general election:**
  - As of May 3, 2018, a PAC may make a contribution or contributions in an amount that, when aggregated to prior contributions to a candidate's campaign, does not exceed \$5,000. Such contributions should only be solicited to pay off debt, operating expenses, and/or, if the candidate is a current officeholder, to use for officeholder expenses. Committees are prohibited from receiving contributions after the general election to raise fund funds for a future campaign. [Rules 2.34\(D\)-\(G\)](#) and [2.106](#).
- **Example 1:** Jaqueline is running for a school district office, and her name appears on the ballot in the primary, runoff, and general elections. PAC X, a 1/25 committee, gives her \$1,000 before the primary, \$500 before the runoff, and \$500 before the general election. After the general election, PAC X may contribute up to \$500 to Jaqueline's campaign.  $(\$2,500 \text{ (contributions limit)} - [\$1,000 \text{ (pre-primary contributions)} + \$500 \text{ (pre-runoff contributions)} + \$500 \text{ (pre-general contribution)}]) = \$500$  available for contributions by PAC X after the general election.)
- **Example 2:** Melvin is running for school district office, and his name is on the ballot in the primary, runoff and general elections. PAC X, a 1/25 committee, gives him \$2,000 before the primary, \$250 before the runoff, and \$250 before the general election. PAC X is prohibited from providing a contribution to Melvin's campaign after the general election because PAC X has given Melvin \$2,500 total.  $(\$2,500 \text{ (contributions limit)} - [\$2,000 \text{ (pre-primary contributions)} + \$250 \text{ (pre-runoff contributions)} + \$250 \text{ (pre-general contribution)}]) = \$0$  available for contributions by PAC X after the general election.)

**b. Contributions from Out-of-State Political Action Committees**

A campaign committee may accept a contribution from a political action committee ("PAC") registered in another state, provided the PAC would be eligible to make contributions to the candidate if it was registered in Oklahoma. For instance, an out-of-state PAC that receives corporate or labor union contributions would not be able to contribute to an Oklahoma campaign committee.

The contribution limits for limited and 1/25 committees apply to the contributions from out-of-state committees. The out-of-state PAC is required to file written proof of its registration in the other state with the Oklahoma Ethics Commission before making contributions to an Oklahoma candidate for school district office. [Rule 2.92](#), [2.96](#) and [2.99](#).

### c. Federal Political Action Committee

A campaign committee may accept a contribution from a political action committee (“PAC”) registered with the Federal Election Commission (“FEC”), subject to limits of the Ethics Rules. The contribution limits for limited and 1/25 committees apply to the contributions from federal PACs. However, a campaign committee may not accept a contribution from the authorized committee of a candidate for federal office.

The FEC registration number for the Federal PAC should be reported with the Ethics Commission. This can be found on the FEC website at [www.fec.gov](http://www.fec.gov). [Rules 2.30, 2.96](#) and [2.98](#).

### **Contributions from Political Parties to Candidates—Limited to \$ \$10,000**

A campaign committee may receive contributions from political party committees, subject to the contribution limits.

The maximum amount that a political party committee may contribute to a school district candidate is \$10,000 prior to any general election for that office.

The maximum amount includes the aggregate of all contributions made to the candidate by a political party, 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. [Rule 2.32](#).

**Example:** X State Political Party Committee wants to support its candidates in the General Election. School district Y Political Party Committee contributes \$10,000 to Joe Smith, a school district candidate. X State Political Party Committee and School district Y Political Party Committee belong to the same party and are both recognized under that party’s bylaws. X State Political Party Committee is unable to make a contribution to Joe Smith because the School district Y Committee maxed out on contributions to that candidate.

## **IX. Prohibited Contributions & Contributors**

A campaign committee is prohibited from accepting contributions from the following entities:

Corporations & Labor Unions	Unlimited Political Action Committees	Foreign Nationals
Federal Campaign committees	LLCs or Partnerships with incorporated member(s) or partner(s)	
Pre-2015 Campaign Committees	State, County, or Municipal Candidate/Campaign Committees	

### **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](#); and [Rule 2.23](#).

**a. Communications by a Corporation or Labor Union Not Considered Contributions**

Communications by a corporation intended to be received only by its stockholders, directors, officers or employees and their spouses, or 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](#).

**Contributions from Foreign Nationals Are Prohibited**

Federal law prohibits foreign nationals from making contributions to candidates at the federal, state and local level. Visit the FEC website at [www.fec.gov](http://www.fec.gov) for more information.

**Unlimited Committees Prohibited from Contributing to Candidates**

Campaign committees are prohibited from receiving contributions from any type of unlimited committee. An "unlimited committee," often referred to as a Super PAC, is a PAC organized for the purpose of making independent expenditures or electioneering communications, not for the purposes of making contributions to campaign committees. An unlimited committee may also be organized for the purpose of being an independent judicial retention committee or a PAC organized exclusively for the purpose of advocating the approval or defeat of a state question. Unlimited committees may receive contributions in unlimited amounts and may accept contributions from corporations and labor unions. [Rules 2.2\(19\), 2.35, 2.37](#) and [2.106](#).

**Federal Campaign Committee Contributions Prohibited**

A campaign committee cannot accept a contribution from an authorized committee of a candidate for federal office. Rule [2.30](#).



**Section Summary**

- The following may give contributions to a campaign committee (state office):
  - Individuals (18 years or older) → Reported as individuals, not couples.
  - Limited Liability Companies (LLCs) → Reported on an individual basis based on each member's percentage of ownership.
  - Partnerships → Treated the same as LLCs.
  - Limited Political Action Committees (Limited committees) → Reported with Ethics Number, out-of-state registration number or FEC number.
  - School District Political Committees
  - 1/25 Political Action Committees (1/25 PAC) → Limited committees that are reported with Ethics Number, out-of-state registration number or FEC number.
  - Another School District Campaign Committee (created after 2014)
- The following are **prohibited** from making contributions to campaign committees:
  - Corporations (all types, including for profit, nonprofit, and professional)
  - Labor Unions
  - Unlimited Political Action Committees (Unlimited committees)
  - Foreign nationals
  - Federal level candidate committees
  - LLCs or Partnerships with incorporated members or partners
  - Pre-2015 Campaign Committees
  - State, County, or Municipal Candidate/Campaign Committee
- See [Appendix I](#) for the Contribution Limits Chart.

**X. Special Fund-Raising Events****Joint Candidate Fund-Raising Events**

Two or more candidates for school district office, except judicial office, 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.

In addition, contributions to campaign committees may not be commingled. Each contribution must be made to the individual campaign committee that the contributor supports. [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 reportable contribution to the candidate. Any personal funds expended above the \$1,000 limit are considered in-kind contributions and are subject to regular limits and reporting requirements.

This \$1,000 exclusion applies no more than once per individual per campaign for a campaign committee, regardless of the number of elections a candidate's name appears on the ballot.

If a husband and wife each spend personal funds (even if those are combined personal funds of the two), then each individual has a \$1,000 exemption. This rule states that “an individual” may spend personal funds, and the Ethics Rules apply contribution limits to individuals rather than to families. Thus, an exemption under this Rule for an individual would be granted for each individual that participates in the fund-raiser. The Rule requires the fund-raiser to take place in the residence of the host, and the funds expended must be personal funds. If those conditions are met, then a husband and wife could each spend up to \$1,000 on a fund-raiser in their residence. This exemption will apply for one fund-raiser for the husband and one fund-raiser for the wife. That exemption can be applied to the same fund-raiser or two separate fund-raisers; however, if both the husband and wife are identified as hosts of the fund-raiser and joint funds are used to pay for the fund-raiser, then they have each used their single event exemption.

[Rule 2.60.](#)

**Example 1:** Betty hosted a fund-raiser in her residence for Tiffany’s campaign (Tiffany is running for school district office). She spent \$1,500 of her personal funds on decorations, food and refreshments. The first \$1,000 is excluded and not reported as a contribution to Tiffany’s campaign committee. The \$500 in excess of \$1,000 is considered an in-kind contribution to Tiffany’s campaign committee and must be reported as such.

**Non-Residential Buildings 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 and any other costs associated with the fund-raising event are considered an in-kind contribution by the owner. However, if the campaign committee pays for the costs associated with the fund-raising event, including the fair market value for the use of the space, the payment is considered an expenditure by the campaign committee.

This provision does not permit a corporation or labor union to make an in-kind contribution that is otherwise prohibited. [Rule 2.61.](#)

**Example 1:** John Smith wants to host a fund-raiser for Jane, a candidate for school district office, at his commercial office space that he owns personally. In this case, John Smith could host the fund-raiser at no cost to Jane’s campaign committee at his commercial office space. Also, John Smith could spend up to \$1,000 of his personal funds for this fund-raising event without it being considered a contribution, but any amount over the \$1,000 would be considered an in-kind contribution to Jane’s campaign committee.

**Example 2:** Same facts as Example 1 except that the commercial office space is actually owned by John Smith, Inc. Jane’s campaign committee would be required to pay John Smith, Inc. fair market value to rent the space for a fund-raiser in order to avoid receiving a prohibited corporate in-kind contribution. John, in this instance, would not be able to use the \$1,000 exemption because the office space is not owned by him individually; instead, it is owned by John Smith, Inc.

**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 in-kind contributions to the committee based on the fair market value of the goods or services. Any fee paid to participate in the event is a monetary contribution. No goods or services may be donated, nor a fee paid, by a corporation or labor union. Any discount on use of the course will be a contribution to the committee unless the same discount is available to all others who hold golf fund-raising events. [Rule 2.62.](#)

**Example 1:** John's school district campaign committee hosts a golf tournament to fund-raise for his campaign and offers the opportunity to "sponsor" a hole. Sponsorship includes posting a sign at the sponsored hole. XYZ Corporation sends a \$1,000 check to sponsor the 18<sup>th</sup> hole. John's campaign committee must return the check because it is a prohibited contribution from a corporation.

**Example 2:** John's school district campaign committee is hosting a golf tournament to fund-raise for his campaign. Individual green fees are \$100 each or \$350 for a foursome. XYZ, Inc. sends in a check for \$350 so four of its employees may participate in the tournament. John's campaign committee must return the check because it is a prohibited corporate contribution.

**Fund-Raising Auctions & Sales**

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

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. All purchases count toward contribution limits. Also, when a campaign committee sells goods or services, such activities are subject to applicable licenses and taxes provided by law. [Rule 2.64.](#)

**Example 1:** Sarah's school district campaign committee is hosting an auction to raise funds and is accepting items from the surrounding community to auction. Sarah's campaign committee receives a gift certificate for the auction from Sleep Well Bed and Breakfast, Inc. Sarah's campaign committee must return the gift certificate because it is a prohibited corporate contribution.

**Example 2:** Sarah's school district campaign committee is hosting an auction to raise funds and is accepting items from the surrounding community to action. Sarah received a painting from Randy, which is valued at \$200, to be auctioned off at Sara's fund-raiser event. Melanie won the bid for the painting and paid \$300. Sarah will report this in the Report of Contributions and Expenditures as (1) a \$200 in-kind contribution from Randy and (2) a \$300 monetary contribution from Melanie.

## XI. Loans

### Permissible Loans

Candidates may receive loans from three sources:

1. A Commercial Financial Institution
2. A Non-commercial Financial Institution
3. The Candidate

#### **a. Loans by Commercial Financial Institutions**

A campaign committee may receive a loan from a commercial financial institution. A loan from this entity is not considered a contribution if (1) the entity normally engages in the business of making loans, (2) the loan is made in the regular course of business, and (3) the loan is made on the same terms as are ordinarily made available to the public. [Rule 2.65.](#)

#### **b. Loans by Non-Commercial Financial Institutions Are Considered Contributions**

A loan by a person or entity, 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, and the individual contribution limits apply.

The portion of the loan that is paid off will no longer be considered a contribution to the campaign. Any remaining unpaid balance of the loan, however, will remain a contribution. [Rule 2.67.](#)

**Example 1:** Mike is a candidate for school district office. Aaron wants to support Mike's campaign by providing Mike's committee with a loan. Because Mike's name is on the ballot in the primary and the general elections, Aaron can provide a loan of up to \$2,700 before the primary and another loan of up to \$2,700 before the general election. However, if Aaron provides the maximum contribution limits for both elections by providing these loans, Aaron will not be able to provide any other type of contribution to Mike's campaign, such as a monetary contribution or an in-kind contribution.

#### **c. Candidates May Make Unlimited Loans to Their Own Campaign committees**

Because a candidate may make an unlimited amount of contributions to his or her own campaign, a candidate may also make an unlimited amount of loans to his or her campaign committee. The loan must come from his or her personal funds or from joint funds of the candidate and the candidate's spouse. However, in order for a candidate to be repaid the loan, the candidate must follow the three-step loan process. [Rule 2.67.](#)

##### ***i. Required Three-Step Process: (1) Funds Deposited in Campaign Depository; (2) Documentation of Loan Terms Made Contemporaneously; and (3) Report Loan from Candidate to Committee in Report of Contributions and Expenditures***

When a candidate makes a loan to his or her committee, the terms of the loan must be in writing in a document executed contemporaneously (i.e., at the same time) with the transfer of funds into the campaign committee's depository. The document must be signed and dated by all parties involved. The loan from the candidate must also be indicated on the candidate's Report of Contributions and Expenditures. 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.

A transaction is not considered a loan and the campaign committee cannot repay the candidate 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.

Similarly, 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 account shall not have made a loan to the committee. See [section XV](#) for more information on reimbursements. [Rule 2.67](#).

**Example 1:** Tom is a candidate for school district office. He is the only officer in his 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 (lender) and as the committee Treasurer (payor). He then puts \$200 of his personal funds into the campaign committee depository (i.e., 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 three-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 and Jane is the Treasurer. The difference in this example from the previous one is that the document Tom created with the loan terms needs to be dated and signed by Tom, the candidate, and Jane, the Treasurer.

**Example 3:** Tom is a candidate for school district office. 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 to his campaign committee. 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 not made a loan to the campaign committee because he failed to first transfer his personal funds into the campaign committee's account. He may, however, reimburse himself with committee funds within 90 days of the original expenditure of \$200.

***ii. What Can a Candidate do if He or She Did Not Follow the Loan Process and Spent Personal Funds***

A candidate who does not follow the three-step loan process can only be reimbursed with campaign funds for expenses the candidate made with personal funds through the reimbursement Rule. See [section XV](#) on reimbursements.

**Prohibited Loans**

A PAC may not make a loan to or receive a loan from a campaign committee. [Rule 2.66](#). Also, a campaign committee may not make a loan to another campaign committee. [Rule 2.66](#).

**Section Summary**

- A loan from a non-commercial financial institution, such as a third-party individual, is considered a contribution and is subject to contribution limits.
- A campaign committee may receive an unlimited amount of loans from the candidate himself/herself. In order to properly establish a loan, the candidate making a loan to his or her own campaign committee using personal funds must do the following: (1) the funds must be deposited in the campaign depository; (2) a written loan document must be created and signed by the candidate (lender) and committee (payor) contemporaneously; and (3) the loan must be reported in a Report of Contributions and Expenditures.

## **XII. Understanding Expenditures**

**What an Expenditure Is**

An expenditure is a purchase, payment, distribution, loan, advance, compensation, reimbursement, fee, deposit or gift made by the campaign committee. [Rule 2.2\(8\)](#).

**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); dry cleaning; shoes; 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 than as permitted by the Ethics Rules. These examples are intended to be illustrative, not exhaustive.

Again, if the expense would exist regardless of whether the candidate is running for office, then the expense is a personal expense, which cannot be paid with campaign funds. [Rule 2.39](#).

### **General Rules for Making Expenditures**

Contributions to a campaign committee may be used to make expenditures for the following occurrences:

1. Ordinary and necessary campaign expenses;
2. Operating expenses of the committee;
3. Contributions to another candidate for school district office;
4. Modest campaign-related items in recognition of volunteers and contributors;
5. Officeholder expenses;
6. Reimbursements (see [section XV](#)); or
7. Other purposes not otherwise prohibited by law or the Ethics Rules. [Rule 2.2\(8\)](#) and [2.43](#).

#### **a. Ordinary and Necessary Campaign Expenses (Expenditures Due to the Campaign)**

“Ordinary and necessary campaign expenses” are expenses that would not exist *but for the candidate’s campaign*. Examples include, but are not limited to, Ethics Commission or County Election Board filing fees, 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](#).

If the candidate would have the expense regardless of whether they were running for office, it is not a campaign expenditure but a personal expense, which is prohibited. See the prior subsection titled “Personal Use of Campaign Funds Prohibited.”

Expenditures for campaign advertising may require a disclosure. For more information on campaign advertisement disclosures, see [section XIV](#). [Rule 2.39](#).

#### **b. Expenditures Made to Family Members as Staff Members of Campaign**

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](#).

#### **c. Contributions to Another School District Campaign Committee**

A campaign committee may make an expenditure of up to \$2,700 total for a contribution to another campaign committee. The maximum amount of such a contribution is \$2,700 per campaign. In other words, a campaign committee may contribute no more than \$2,700 altogether to another candidate’s campaign, regardless of the number of elections in which the recipient candidate’s name appears on the ballot and regardless of whether the candidate is unopposed.

The campaign committee that receives the contribution must be at the same level of elective office. For instance, a school district campaign committee can provide a contribution to another school district campaign committee, not a federal, state, county, or municipal campaign committee. [Rule 2.37\(F\)](#).



**d. Modest Items Related to the Campaign May Be Given in Recognition of Contributions and Volunteers**

A campaign committee may provide campaign-related goods, such as coffee mugs, t-shirts, caps and similar items of modest value, free of charge to volunteers or contributors to a campaign committee. These items must be (1) campaign related (e.g., item with a campaign logo, campaign committee name, etc.), (2) of modest value, and (3) provided to a volunteer or contributor. Expenditures for such items are considered as campaign expenditures by the campaign committee. [Rule 2.64.](#)

Goods which do not meet the modest items Rule should not be provided by campaign committees due to concerns regarding vote influence. Criminal laws, not Ethics Rules, are implicated when providing goods or anything of value intended to influence votes. These laws are enforced by the Attorney General's or the District Attorney's office.

**e. Contributions May Be Used to Pay Certain Officeholder Expenses (Expenditures Once Elected)**

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. Officeholder expenses are expenses incurred as a result of the candidate's ***election to school district office***, not expenses due to the candidate's campaign. These expenses are reported to the Commission as "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 for officeholder expenses of a different office.

Again, 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 school district. Officeholder expenses are those that would not exist but for the fact that the candidate was elected to and holds school district elective office. These expenses are unique to holding an office, not to the person holding the office. [Rules 2.44](#) and [2.2\(14\)](#).

**f. Funds Transferred to New Committee and Officeholder Expenses**

When an officeholder dissolves one campaign committee and contemporaneously files a Statement of Organization for a different campaign committee prior to the expiration of the term for 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.

**Section Summary**

- The following are the types of expenditures that a campaign committee may make:
  - Ordinary and Necessary Campaign Expenses
  - Operating Expenses
  - Contributions to Other Candidates (at the same level of elective office)
  - Officeholder Expenses (only for those holding office)
  - Modest Items Related to the Campaign to Recognize Contributors and Volunteers
  - Reimbursements (see [section XV](#))
  - Other purposes not otherwise prohibited by law or the Ethics Rules
- Prohibited expenditures
  - Personal expenses that would exist regardless of whether a candidate is running for office or holding office

### **XIII. 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, the following exactly as shown: **“Authorized and paid for by [NAME OF COMMITTEE].”** The name of the committee does include the election year. 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 the following exactly as shown: **“Authorized and paid for by [NAME OF COMMITTEE].”** The name of the committee does include the election year; however, large campaign signs (larger than 18” X 24”), banners and other campaign materials capable of reuse are not required to include the election year in the disclosure. The disclosure must be of sufficient size and contrast to be clearly readable by the recipient of the communication. [Rule 2.56.](#)

**Disclosure Not Required for Certain Items**

No disclosure is required for items, such as non-commercial yard signs, bumper stickers, campaign buttons, t-shirts, aerial advertising or similar advertisements where inclusion of a disclaimer would be impractical. However, the disclosure is required for banners and large campaign signs (i.e., larger than 18” X 24”). [Rule 2.56.](#)

### **XIV. Reimbursements**

**Reimbursements to Individuals Other than the Candidate and Consultant on Behalf of the Committee**

Individuals, other than the candidate and political consultants, who make an expenditure for the campaign and wish to be reimbursed by the campaign committee may do so. However, the expenditure

should be reported by indicating the ultimate vendor or recipient of the funds and providing a specific description of the reimbursement.

**Example:** Maria is a candidate for school district office. Her campaign committee staff member, Clay, used \$200 of his personal funds to purchase materials for campaign signs at ABC Hardware, Inc. Maria's campaign committee can reimburse Clay the \$200. Maria's campaign committee must report this as a \$200 expenditure to ABC Hardware, Inc. for campaign signs. The committee must maintain Clay's receipt as a committee document. [Rule 2.2\(8\)](#) and [2.106\(B\)\(6\)](#).

### **Reimbursements to the Candidate Other Than Through Loans**

There is only one way in which a candidate may be reimbursed under the Ethics Rules. If a candidate does not follow the specific requirements under the reimbursement Rules, then the candidate cannot be reimbursed.

It is important to note that a reimbursement to a candidate is different than a loan payment to a candidate who made an appropriate loan. See the [section XII](#) on loans. Reimbursements to a candidate must be made within 90 days. [Rule 2.43](#).

#### **a. Candidate Reimbursements Must be Made Within 90 Days**

A candidate who makes an expenditure on behalf of his or her campaign committee with his or her personal funds can be reimbursed those funds with campaign committee funds within 90 days of the original expenditure. The committee must report the reimbursement in the Report of Contributions and Expenditures. The committee Treasurer must **maintain receipts and other documents** showing the purchase by the candidate—including the date, vendor, and description of items purchased on behalf of the committee—and the reimbursement to the candidate.

If the candidate is not reimbursed within those 90 days, the candidate cannot be reimbursed; instead, the funds will be considered a monetary contribution from the candidate to the campaign committee and an expenditure to the recipient of those funds.

Note that this is different than a loan payment to a candidate from the campaign committee. The only way a candidate can receive a loan repayment from committee funds is if the candidate appropriately followed the three-step process of making a loan (see [section XII](#) on loans). One of the requirements for the loan process includes the candidate putting his or her own funds in the campaign depository. Consequently, loan repayments are not applicable to situations where a candidate spends personal funds for the campaign without first putting those funds in the campaign depository; however, the reimbursement Rule (i.e., within 90 days reimbursement rule) is applicable to such situation. [Rule 2.43](#).

**Example:** Matt, a candidate for school district office, spent \$500 of his personal funds for campaign signs without putting the funds in the campaign depository. The expenditure was made on January 1, 2018. If Matt wants to be reimbursed, he must do so no later than March 31, 2018. If Matt fails to seek reimbursement by March 31, 2018, he cannot be reimbursed by committee funds. Matt is also unable to claim a \$500 loan because he did not follow the three-step loan process, which requires his personal funds to be deposited in the campaign depository before the funds are spent and the contemporaneous execution of a loan document.

**b. Travel Reimbursement**

As of May 26, 2017, all reimbursements to a candidate must be made within 90 days of the original expense. Consequently, all travel reimbursements made to the candidate from committee funds must be made within 90 days of the original expense; otherwise, the candidate cannot be reimbursed. [Rule 2.43](#).

**Reporting Reimbursements**

Candidate reimbursements require the campaign committee to report two entries in schedule E (General Expenditures):

1. **Entry 1** – List as an in-kind expenditure (category of expenditure) to the original vendor (entity receiving expenditure) with a specific description, indicating the product or services rendered in relation to the committee and the candidate's personal payment for the item. Do not count the in-kind expenditure toward your total expenditures in the reporting period total or aggregate total. Only monetary expenditures count toward the expenditure totals.
2. **Entry 2** – List as a candidate reimbursement (category of expenditure) with a specific description that ties it to the in-kind expenditure entry. The description needs to indicate at least the original expenditure and date of the original expenditure.

NOTE: These two entries may not appear on the same report. Entry number 1 is recorded on the date the expenditure to the vendor is made, and entry number 2 is recorded on the date that the candidate was reimbursed with committee funds.

**Calculation of Travel Expense****a. Calculating Expenses for Motor Vehicle Travel**

Calculating travel expenses for use of a motor vehicle is determined by the factual circumstances in which the motor vehicle is used.

**b. Use of Personal Vehicle for Campaign Purposes**

If a motor vehicle is used for campaign purposes or officeholder expenses and for any other purpose—including personal use—the campaign committee may make expenditures only **for mileage reimbursement** for campaign or officeholder mileage at the rate authorized for the use of privately owned motor vehicles under the State Travel Reimbursement Act or less. In other words, a candidate, volunteer, campaign staff member, etc. can be reimbursed mileage from committee funds. **Campaign committee funds cannot be used to purchase fuel, maintenance, or similar services for the vehicle.** Campaign committee funds may only be used to reimburse mileage at the applicable mileage rate for mileage not otherwise reimbursed.

When there is a mixed use between personal use and campaign use, the mileage reimbursement includes all operating costs, including gasoline and repairs. Thus, campaign funds cannot be used for repairs to a motor vehicle (except as the repairs are included in the mileage reimbursement). Gasoline should never be purchased with a campaign debit card or any other campaign funds when there is mixed use of a vehicle. A mileage log or other documentation must be kept that shows the reimbursement is for campaign or office holder expenses.

The mileage rate for the mileage reimbursement is determined by the State Travel Reimbursement Act. This rate may not be the rate set by the Internal Revenue Service (IRS). Campaign committees should review the applicable rate regularly to ensure the appropriate reimbursement rate is used.

**The mileage reimbursement rate for 2018 is \$0.47/mile.**

All mileage reimbursements must be made within 90 days of the original expenditure (i.e., the travel). All committee expenditures for mileage reimbursement must be reported with a specific description, including but not limited to, the **number of miles and the mileage rate** used to determine the reimbursement value. [Rules 2.45\(B\), 2.43, and 2.106.](#)

**c. Rental of 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. [Rule 2.45\(C\).](#)

**d. 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. The vehicle cannot be purchased from the candidate or a family member of the candidate. When the committee is dissolving, the vehicle must be sold to a licensed dealer; the vehicle may not be purchased by the campaign committee, the candidate or 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 school district 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\(A\).](#)

**e. Calculating Expenses for Air Travel**

Calculating expenses for air travel is determined by the factual circumstances of the air travel.

Travel on an air carrier is calculated at the actual cost of the fare. If air travel is first class, business class or equivalent class, the expenditure is calculated at the cost of any lower fare available on the same flight.

Air travel on an aircraft operated by a commercial carrier is calculated based on the usual charter fare or rental charge.

Air travel on an aircraft operated by a private individual is calculated based on the usual charter fare or rental charge of a commercial carrier.

Air travel on an aircraft operated by the candidate or a family member of the candidate is calculated as a contribution by the candidate to the campaign, based on the usual charter fare or rental charge of a commercial carrier, unless the aircraft is rented, in which case the cost is calculated as the rental charge. [Rule 2.45\(D\)-\(G\).](#)

**Section Summary**

- Candidates may be reimbursed with committee funds when he or she spends personal funds on his or her own campaign if the reimbursement takes place within 90 days of the original expenditure.
- The candidate reimbursement rule applies to all candidate reimbursements, including mileage and other travel reimbursements.
- Mileage reimbursements must be reported with a specific description of the mileage amount and rate used to calculate the mileage reimbursement value.
- No gas may be purchased using campaign committee funds, unless the committee purchases a vehicle for exclusive campaign use from a licensed Oklahoma dealer.

## **XV. Reports of Contributions and Expenditures**

**Obligation to File Reports of Contributions & Expenditures**

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 in accordance with the Ethics Rules and a Final Report of Contributions and Expenditures is filed. Again, all school district candidate reports are filed with the School District Clerk's office, not with the Oklahoma Ethics Commission. [Rule 2.100](#) and [2.101](#).

**a. Special Requirements for Judicial Candidates**

Candidates for elective judicial offices, including judicial offices subject to retention, are subject to the Ethics Rules as all other candidates for school district office. However, under the Code of Judicial Conduct, 5 O.S. Ch. 1, App. 4, Rule 4.4(A), the judicial candidate is responsible for ensuring that his or her campaign committee complies with the Ethics Rules and with other provisions of the Code of Judicial Conduct. Judicial candidates are not required to file Reports of Contributions and Expenditures when they are prohibited from soliciting or accepting contributions (60 days after their last election). However, once judicial candidates can solicit and accept contributions for an election, they are required to file Reports of Contributions and Expenditures. [Rule 2.100](#).

**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.

Reports of Contributions and Expenditures require significant detail. For example, Reports of Contributions and Expenditures include, but are not limited to, the following:

- The **name, address, occupation and employer of any individual making a contribution or contributions regardless of the value of the contribution**, 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 and Ethics Commission identification number 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 a PAC, school district political committee, 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; and
- 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, and the aggregate total of all expenditures made to the person or entity. [Rules 2.17](#) and [2.106](#).

The Executive Director is authorized to require additional information on the Reports of Contributions and Expenditures. [Rule 2.93](#).

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 committee so the expenditures are properly reported.

Another example of necessary detail that goes beyond the surface of the transaction is the reporting of contributions from eligible limited liability companies (LLCs) and partnerships. Although the campaign committee may receive a contribution from a LLCs or a partnership, the contributions must be reported as if the contributions were made by the members or partners, respectively, as individuals. 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](#).

#### **Where to File Reports: School District Clerk's Office**

All Reports of Contributions and Expenditures must be filed with the School District Clerk's office, not the Oklahoma Ethics Commission, unless otherwise ordered by the Commission or the Executive Director of the Commission. Access the Ethics forms on the Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.ok.gov) under the "County, Municipal & School Reporting" tab. [Rule 1.4](#); [70 O.S. 2-115](#).

#### **When Reports are Due**

All reports due to the School District Clerk must be submitted on the date specified (i.e., due date) by 4:30 p.m. in order to be considered timely filed. When the day that a document is required to be filed falls on a day other than a business day, that document is timely filed if filed on the next succeeding business day by the close of business of the School District Clerk's office.

Report due dates depend upon when a candidate registers or is required to register and whether the filing period occurs during an election year. [Rule 1.4](#).



### a. Filing Dates Available on the Ethics Website

A complete schedule of filing dates is provided on the Ethics Commission's website at [www.ethics.ok.gov](http://www.ethics.ok.gov) under the "County, Municipal & School Reporting" tab.

### b. Periods Covered and Filing Periods

When reviewing the reporting schedules, there are dates indicating the "period covered" and "filing period." Period covered indicates the time period that the committee needs to account for funds coming into and leaving the committee in the Report of Contributions and Expenditures. Whereas, the filing period indicates the dates in which the report can be filed. A report cannot be filed before the filing period begins, and any reports filed after the filing period ends are considered late.

### c. 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.](#)

### **Regularly Scheduled Elections—Quarterly Reports Required in Non-Election Years (Does not Include Special Elections)**

Committees are formed for specific elections. For years, other than the year of elections for which a committee is formed, Reports of Contributions and Expenditures by campaign committees are made on a quarterly basis.

For example, Candidate Smith forms a committee for 2018 elections called "Smith for Senate 2018." Candidate Smith's committee will file quarterly reports in the years other than 2018, including 2020, which is an election year. These reporting dates apply to regularly scheduled elections, not special elections to fill a vacancy.

The reporting dates and time periods covered in a calendar year that is not an election year are as follows:

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

*\*Access the reporting calendars under the "County, Municipal & School Reporting" tab on the Ethics Commission website.*

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.

Judicial candidates, who are prohibited from soliciting or accepting contributions 60 days after their last election, are not required to file Reports of Contributions or Expenditures during this prohibition. Once the judicial candidate can solicit and accept contributions, then they are required to file Reports of Contributions or Expenditures. [Rule 2.100.](#)

### **Regularly Scheduled Elections—Quarterly and Pre-Election Reports Required in Election Years**

In the years of the election for which the committee was formed, campaign committees will follow a filing schedule that is based on the dates of the primary, runoff and general elections. All committees participating in the election year will file pre-election reports regardless of whether the candidate's name appears on a ballot(s). The reporting dates and time periods covered are as follows:

<b>Filing Date</b>	<b>Period Covered</b>	<b>Type of Report</b>
April 1 – 30	Jan. 1 – March 31	1 <sup>st</sup> Quarter Contributions and Expenditures Report
8-14 days before the primary election	April 1 – 15 days before primary election	Pre-Election Report of Contributions and Expenditures
8-14 days before runoff primary election	15 days before primary – 15 days before runoff primary election	Pre-Runoff Report of Contributions and Expenditures
8-14 days before general election	15 days before primary election – 15 days before the general election	Pre-General Report of Contributions and Expenditures
Jan. 1 – 31	End of pre-general election reporting period – Dec. 31	Partial Quarter Report of Contributions and Expenditures

*\*Access the reporting calendars under the "Campaign Finance Reporting" tab on the Ethics website.*

#### **Rule 2.101.**

**Example 1:** Candidate X forms a 20120 committee in December of 2019. Candidate X will need to file a 4<sup>th</sup> Quarter Report in January of 2020 that covers Oct. 1 – Dec. 31, 2019. In April of 2020, Candidate X will file a 1<sup>st</sup> Quarter Contributions and Expenditures Report. The candidate will continue to follow the election year reporting schedule.

**Example 2:** Candidate Y forms a 2020 committee in January of 20120. Candidate Y will need to file a 1<sup>st</sup> Quarter Contributions and Expenditures Report in April. The candidate will continue to follow the election year reporting schedule.

#### **a. All Candidates Must File Pre-Election Reports**

All candidates must file pre-election reports, regardless of whether their name appears on the ballot at a particular election. [Rule 2.101.](#)

### **Reports Due During the Two Weeks Before an Election: Continuing Report of Contributions**

A campaign committee is required to file Continuing Reports of Contributions for certain contributions accepted after the close of the pre-election reporting period until the last two days before the election. Stated differently, during the **two-week period before an election**, a campaign committee is required to file a Continuing Report of Contributions if the committee receives a contribution that exceeds \$1,000 in the aggregate from one source. Note that the contribution must exceed \$1,000 in the aggregate. If a contribution or contributions in the aggregate only amounts to \$1,000, then a Continuing Report of Contributions will not be required. It is also important to remember that contributions include monetary contributions, in-kind contributions, loans to the campaign committee from a non-commercial financial institution, and loans from the candidate to his or her own campaign committee.

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

The Report must identify the name, address, occupation and employer of the contributor 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 election, that candidate’s committee is not required to file Continuing Reports of Contributions. [Rule 2.102.](#)

**Example 1:** Candidate John is in the runoff election, which occurs on August 28, 2018. Within the two-week time period before the election, on August 16<sup>th</sup>, John accepted a \$1,000.01 contribution from Connie Contributor. John should report this contribution as soon as the contribution is accepted because a Continuing Report of Contributions must be filed by August 17, 2018 (within 24 hours).

**Example 2:** Candidate Jane is in the primary election, which occurs June 26, 2018. Candidate Jane loaned her campaign \$1,000.01 on June 22, 2018. Because Candidate Jane loaned her campaign committee in excess of \$1,000 within the two weeks before the primary election, a Continuing Report of Contributions must be filed by June 23, 2018 (within 24 hours).

### **Special Election Reporting Dates**

Special elections occur to fill a vacancy in an elected office. During special elections, 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, runoff primary election and general election. These Pre-election Reports are required **only if there is an election**.

Candidates in special elections must continue to file quarterly reports after the general election until the campaign committee is dissolved in accordance with the Ethics Rules and a Final Report of Contributions and Expenditures is filed. [Rule 2.101.](#)

Again, all reporting schedules are available on the Ethics Commission website under the “County, Municipal & School Reporting” tab. Candidates for a special election have mandatory dissolution dates.

### **Public Records**

All Reports of Contributions and Expenditures that are filed with the School District Clerk’s office are public records. The public may request these records, and the School District Clerk must provide these records upon request. The School District Clerk’s office must maintain Reports of Contributions and Expenditures for four years after the date the report is filed or prepared, if not posted on the School District’s website.

The School Board Clerk’s office may post submitted Reports of Contributions and Expenditures on its website, if it has that capability. [70 O.S. § 2-116.](#)

## XVI. Enforcement, Late Reports and Compliance Orders

Although reports are filed with the School District Clerk's office, the Oklahoma Ethics Commission's duties entail the compliance, enforcement, and education of the Ethics Rules. The School District Clerk's duties are to accept reports, maintain those filing for a period of four years, and to make those filed reports available upon request. The School District Clerk will not enforce, teach, nor assist with compliance with the Ethics Rules.

The Executive Director is authorized to issue compliance orders to obtain compliance with these Rules, including late filing fees. A committee that files reports significantly late or has significant compliance issues may be addressed through the Commission's complaints process, rather than through compliance orders.

A committee that is affected by a compliance order may request a hearing to be conducted by an administrative law judge. The information on how to request a hearing will be provided with the issued compliance order. [Rules 6.19, 2.100, 2.101](#) and [6.3; 70 O.S. 2-119](#).

## XVII. Personal Financial Disclosure Statement (PFD)

Effective July 1, 2016, the only individuals who are required to file a financial disclosure statement are state officers who are ***elected or subject to retention to judicial office***. Candidates are no longer required to file financial disclosure statements. Those required to file these reports at the school district level will find the Personal Financial Disclosure Statement form on the Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.ok.gov) under the "County, Municipal & School Reporting" tab. All Personal Financial Disclosure Statements are filed with the School District Clerk's office. [Rule 3.16; 70 O.S. §§ 2-117 & 2-118](#).

## XVIII. Understanding Independent Expenditures, Electioneering Communications, and the Risks of Coordination

Third parties, not campaign committees, engage in independent expenditures ("IE") or electioneering communications ("EC"). Generally, an IE or EC is a communication that advocates the election or defeat of a candidate or references a clearly identified candidate, respectively, and meets certain distribution criteria. If a candidate, campaign committee, agent, etc., coordinates with a third party who is engaged in an IE or EC, the expenditure becomes a contribution to the campaign committee. This will often cause excessive contribution limits or prohibited corporate contributions.

An IE made by a third-party 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. [Rules 2.2\(7\)](#) and [2.2\(10\)](#).

### **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.

**a. Consequences of Coordination**

If an alleged IE or EC 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. 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. Such an expenditure may also violate criminal laws enforced by the Attorney General’s or District Attorney’s office. [Rule 2.2\(6\)](#), [2.2\(10\)](#), [2.38](#), [2.107\(H\)](#), and [2.108\(H\)](#).

**XIX. Dissolving the Campaign committee****Campaign Committee May Dissolve at Any Time Prior to the Mandatory Dissolution Dates**

A campaign committee may dissolve at any time prior to mandatory dissolution dates by dissolving in accordance with the Ethics Rules and filing a Final Report of Contributions and Expenditures that shows no funds remaining in the campaign committee. [Rule 2.116](#).

A campaign committee remains obligated to file all required reports until the committee is dissolved in accordance with the Ethics Rules. A campaign committee that does not dissolve and stops filing required reports is subject to compliance orders and other enforcement actions. [Rule 6.19](#).

**Mandatory Dissolution of Campaign Committee**

When a candidate is required to dissolve depends upon whether the candidate is elected to office.

**a. Mandatory Dissolution Dates for Candidates Elected to Office**

A candidate who is elected to office must dissolve his or her campaign committee no later than two years after the general election for an office with a two-year term, no later than four years after the general election for an office with a four-year term and no later than six years after the general election for a six-year term (date of election to office if no general election). [Rule 2.116](#).

**b. Mandatory Dissolution Dates for Candidates Who are Not Elected to Office**

A candidate who is not elected to office must dissolve his or her campaign committee no later than two years after the general election (date of election to office if no general election). [Rule 2.116](#) and [2.48](#).

**Maintain Records for a Period of Four Years**

Every committee, even dissolved committees, are required to maintain committee records for a period of four years, and those records must be made available upon request by the Commission. If the committee uses online banking, the committees must print or save all statements. [Rule 2.73](#).

**How to Dissolve a Committee**

Dissolving a campaign committee means that the campaign committee is terminating, disposing of all of its assets and funds, and resolving any debt. A candidate can transfer debt, assets and funds from one school district campaign to another campaign for future school district office. A campaign committee can completely dissolve and dispose of its funds. However, if a campaign committee dissolves, the funds cannot be retained by the candidate, committee officers, or any other entity other than those permitted to receive surplus funds. This would be considered converting committee funds for personal use, which is prohibited.

In order to dissolve a committee, a campaign committee must perform the following tasks:

- Dispose of Any Assets
- Resolve of Any Debt
- Dispose of Surplus Funds
- File a Final Contributions and Expenditures Report
- Send the last two bank statements showing activity to the Ethics Commission staff

There are checklists for how to dissolve or transfer to a new campaign committee. The checklists are available on the Ethics Commission website under the “County, Municipal & School Reporting” tab. For other assistance dissolving or transitioning a campaign committee, contact the Ethics Commission staff. [Rules 2.116](#), [2.117](#), [2.118](#), and [2.39](#).

**a. 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, this would amount to converting contributions to personal use in violation of the Ethics Rules. A candidate or a candidate’s family member may purchase such assets, other than a vehicle, from the campaign committee but only if the candidate or candidate’s family member pays fair market value for such purchases. It is also best practice to sell committee assets to any other individual for fair market value.

Funds received from selling committee assets can be used to resolve any debt. Any sale of assets is reported as an “other fund” and disposed of with all other remaining funds.

All records for how fair market value was determined must be kept with the other campaign committee records for a period of four years. [Rule 2.118](#) and [2.73](#).

**b. 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 and could exceed contribution limits or be a prohibited corporate contribution. Campaign committees can raise funds after an election to assist with paying off debt. [Rule 2.117](#).

**c. Surplus Funds**

The candidate, at his or her discretion, may determine that certain funds are not required for campaign expenses or officeholder expenses. These funds are “surplus funds.” Surplus funds of a campaign committee may be designated **only following the determination of the election for which the campaign committee was formed**. [Rule 2.48](#).

**d. Uses of Surplus Funds**

Surplus funds may be expended as follows:

1. Retained in any amount for use in a future campaign for the next succeeding term of the same office;
2. Retained for a future campaign for a different school district elective office, excluding a judicial office;
3. Donated to a charitable organization as described in Section 501(c)(3) of Title 26 of the United States Code;
4. 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;
5. Contributed to a political party's committees in any amount not to exceed \$25,000 in the aggregate;
6. Used to purchase item(s) for donation to a 501(c)(3) charitable organization, provided that (1) the donated item(s) are sold by the charitable organization for fundraising purposes, (2) the purchase of the item(s) for donation is reported in a Report of Contributions and Expenditures with a description of the cost of the item(s) purchased, (3) the donation of the item(s) is reported in a Report of Contributions and Expenditures as an in-kind expenditure to the charitable organization with a description of the value of the item donated, and (4) the donated item(s) cannot be purchased by a candidate or officer, board member, or employee of the charitable organization; or
7. Donated in accordance with the provisions of [Title 60 O.S. § 381](#), et seq., to the State of Oklahoma, or to any school district, city, town or school district within the State of Oklahoma.

Surplus funds may not be used for any other purpose. [Rule 2.48.](#)

**i. Disposition of Surplus Funds**

Surplus funds remaining in the campaign committee's possession within 90 days after the mandatory dissolution date will forfeit those funds to the general revenue fund of the State of Oklahoma. [Rule 2.48.](#)

**e. Final Report of Contributions and Expenditures**

A Final Report may be filed at any time with the School District Clerk until the applicable mandatory dissolution date. The Final Report will cover the period that begins after the last day of the immediately preceding reporting period and ending on the day before the Final Report is filed. [Rule 2.118.](#)



**Section Summary**

- A state campaign committee must perform the following acts in order to dissolve:
  - Dispose of any assets
  - Resolve any debt
  - Use Surplus Funds
  - File a Final Report of Contributions and Expenditures
- Review the resources on the Ethics Commission website, [www.ethics.ok.gov](http://www.ethics.ok.gov), under the “County, Municipal & School Reporting” tab.

## APPENDIX I: CONTRIBUTION LIMIT CHART



### 2018 - 2019 Contributions Table (Revised July 01, 2018)

	To Candidate Committee	To Political Party	To Limited or Unlimited Committee
<b>Individuals may give</b>  Cash & Anonymous Contributions are allowed up to \$50, and it count toward the individual's contribution limits.	<b>Unopposed Candidates:</b> \$2,700 per campaign  <b>Opposed Candidates (may not give once for multiple elections):</b> \$2,700 prior to primary election \$2,700 after primary and prior to runoff primary elections \$2,700 prior to general election  <b>Maximum contributions by elections in which candidate participates:</b> <ul style="list-style-type: none"> <li>• <b>1 election:</b> \$2,700 (Primary or General election only): \$2,700</li> <li>• <b>2 elections:</b> \$5,400 (Primary &amp; Run-off primary elections; or Primary &amp; General Elections)</li> <li>• <b>3 elections:</b> \$8,100 (Primary, Run-off Primary and General elections)</li> </ul> <b>Post General Election:</b> Allowed so long as aggregated contributions do not exceed \$2,700.	\$10,000 per calendar year	<b>Limited Committee:</b> \$5,000 per year  <b>Unlimited Committee:</b> No limits Cash & anonymous limits of \$50 apply. <ul style="list-style-type: none"> <li>• Only \$50 of a contributor's contribution may be given in cash.</li> <li>• Only \$50 may be accepted from an anonymous contributor.</li> </ul>
<b>Party Committee may give</b>	\$25,000 for statewide office (prior to general election) \$10,000 to other state elective office (prior to general election) <i>Limits are per party, not per committee.</i>	Unlimited Transfers between Political Party Committees	Nothing
<b>Limited Committee may give</b>	<b>Unopposed Candidates:</b> \$5,000 per Campaign  <b>Opposed Candidates (may not give once for multiple elections):</b> \$5,000 prior to primary \$5,000 after primary and prior to runoff primary \$5,000 prior to general election  <b>Maximum contributions by elections candidate participates in:</b> <ul style="list-style-type: none"> <li>• <b>1 election:</b> \$5,000 (Primary or General election only)</li> <li>• <b>2 elections:</b> \$10,000 (Primary &amp; Run-off primary elections; or Primary &amp; General Elections)</li> <li>• <b>3 elections:</b> \$15,000 (Primary, Run-off Primary and General elections)</li> </ul> <b>Post General Election:</b> Allowed so long as aggregated contributions do not exceed \$5,000.	\$10,000 per calendar year	<b>Limited Committee:</b> \$5,000 per year  <b>Unlimited Committee:</b> \$0/Nothing
<b>1/25 Limited Committee may give</b>  Limited Committees registered for less than 1 year before a primary <u>OR</u> has fewer than 25 contributors	<b>Unopposed Candidates:</b> \$2,500 per Campaign  <b>Opposed Candidates (may not give once for multiple elections):</b> \$2,500 prior to primary \$2,500 prior to runoff primary \$2,500 prior to general election  <b>Maximum contributions by elections candidate participates in:</b> <ul style="list-style-type: none"> <li>• <b>1 election:</b> \$2,500 (Primary or General election only)</li> <li>• <b>2 elections:</b> \$5,000 (Primary &amp; Run-off primary elections; or Primary &amp; General Elections)</li> <li>• <b>3 elections:</b> \$7,500 (Primary, Run-off Primary, and General elections)</li> </ul> <b>Post General Election:</b> Allowed so long as aggregated contributions do not exceed \$2,500.	\$5,000 per calendar year	Nothing
<b>Unlimited Committee may give</b>	Nothing	Nothing	<b>Limited Committee:</b> \$0/Nothing  <b>Unlimited Committee:</b> No limit for committees of same type & purpose
<b>Candidate Committee may give</b>	\$2,700 to another <u>state</u> candidate committee per campaign. Nothing to federal, county, municipal or school district candidate committees.	\$25,000 <i>only after</i> the election has been decided.	\$0/Nothing

## APPENDIX II: Public Funds, Property or Time

Several Rules prohibit certain campaign activities in state or other public facilities. In addition, other Rules prohibit the use of state or other public resources for campaign activities.

### **General Prohibitions of Public Funds, Property and Time**

No state officer or employee may use or authorize the use of public funds, property, or time to solicit, receive or accept funds for a political committee. If unsolicited funds are tendered to a candidate in violation of this Rule, the funds may not be accepted by the intended recipient and must be returned to the sender as soon as possible. [Rule 2.3.](#)

#### **a. 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.](#)

#### **b. 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.](#)

#### **c. 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, including a campaign 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, including a campaign 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.](#)

#### **d. State-Owned Property and Services Prohibited from Being Used For Campaign Purposes**

State officers and employees are prohibited from using a state-owned telephone, state electronic mail or other state equipment, property or services to advocate the election or defeat of a clearly identified candidate for any elective office. [Rule 2.14.](#) State officers and employees may not use a state-owned telephone, state electronic mail or other state property or services to make a contribution to a political committee, including a candidate or campaign committee. [Rule 2.15.](#)

No Internet social media account maintained in the name of a state officer as a state officer or state agency may be used for political purposes. The prohibition includes the solicitation, receiving or acceptance of contributions. It also prohibits advocating the election or defeat of a clearly identified candidate for any elective office or a vote for or against a state question or other question to be voted upon at an election. Such official accounts may not be converted for use by a campaign committee. [Rule 2.16.](#)