



# OKLAHOMA ETHICS COMMISSION

## TRANSITIONING TO A NEW CANDIDATE COMMITTEE CHECKLIST

Read through the entire checklist before completing the actions. Use this checklist with the Candidate Guide and Ethics Rules.

ITEM	DESCRIPTION
<input type="checkbox"/> New Campaign for State Office	<p>Is the candidate running for another <b>state-level</b> office (<u>not</u> federal, county, municipal, or school district)?</p> <p><b>YES:</b> Use this checklist.</p> <p><b>NO:</b> This committee may need to dissolve. Use the “Dissolution Checklist” available at <a href="http://www.ethics.ok.gov">www.ethics.ok.gov</a></p> <p><b>Reminder:</b> New candidate committees <b>will not</b> have surplus funds available to spend until the office is decided.</p>
<input type="checkbox"/> New Committee Registration	<p>Register a new committee by filing a Statement of Organization in The Guardian System at <a href="http://www.guardian.ok.gov">www.guardian.ok.gov</a>.</p> <ul style="list-style-type: none"> <li>• Register no later than 10 calendar days upon receiving contributions <b>or</b> making expenditures in excess of \$1,000 (this includes the candidate’s personal funds and filing fees paid to the election board).</li> <li>• Review the “Guide for Candidate Committees (State Office)” and the registration checklist for state candidate committees, which is available on the Ethics Commission website at <a href="http://www.ethics.ok.gov">www.ethics.ok.gov</a>.</li> <li>• Open a <b>new</b> depository account in the full name of the new candidate committee, includes year of election.</li> </ul> <p><b>NOTE:</b> After a new committee is registered, the “old” committee <b>must dissolve within 60 days</b> and <b>can no longer accept contributions</b>. All contributions accepted must be deposited in the new committee.</p>
<input type="checkbox"/> Dispose of Assets	<p>Does the committee have any of the following items?</p> <ul style="list-style-type: none"> <li>• Office furniture or equipment</li> <li>• Appliances (coffee maker, refrigerator, etc.)</li> <li>• Electronics (iPad, cell phones, cameras, etc.)</li> <li>• Any other tangible asset(s)</li> </ul> <p><b>YES:</b> A candidate committee that has assets must dispose of the assets as follows:</p> <ul style="list-style-type: none"> <li>• <b>Sell the Assets.</b> Sell assets for Fair Market Value (FMV), even to officers, candidates, and family members.             <ul style="list-style-type: none"> <li>○ <b>Deposit Funds Into Campaign Depository.</b> Report funds received as “other funds” not contributions.</li> <li>○ <b>Keep records of the sale.</b> Keep all records of the sale and how FMV was determined for at least 4 yrs.</li> </ul> </li> <li>• <b>Transfer Asset(s) to the new committee.</b> Transferred assets will be reported in Expenditures as an Add Transfer-Out with the type, “Transfer of Assets to New Committee (Register or Unregistered)” by the existing committee and a Contribution as a ”Transfer-In” with the type, “Transfer of Assets from Prior Committee (Register or Unregistered)” by the new committee.</li> </ul> <p><b>NO:</b> Move on to the next step.</p>
<input type="checkbox"/> Resolve Debt	<p>Does the committee have any of the following? If “yes,” continue below or if “no,” move to next section:</p> <ul style="list-style-type: none"> <li>• Outstanding invoices for goods (shirts, signs, etc.)?</li> <li>• Loans with outstanding balances?</li> <li>• Outstanding invoices for services (consulting, etc.)?</li> <li>• Any other debt?</li> </ul> <p><b>YES:</b> The candidate committee must perform the following to resolve debt:</p> <ul style="list-style-type: none"> <li>• <b>Sell assets.</b> Pay off debt through funds raised through sale of assets. See step on “Dispose of Assets.”</li> <li>• <b>Resolve Debt in a Commercially Reasonable Manner.</b> Resolve debt in a commercially reasonable manner—the way the vendor would resolve any other outstanding debt in the normal course of business.</li> </ul> <p><b>Report the Resolution of Debt.</b> All resolved debt is reported on Schedule J on the committee’s final report.</p> <ul style="list-style-type: none"> <li>• <b>Debt that is not resolved in a commercially reasonable manner is reported as a contribution.</b></li> </ul> <p><b>CAUTION:</b> Applicable contribution limits apply. Debt from corporations cannot be resolved this way.</p> <ul style="list-style-type: none"> <li>• <b>Loan Forgiveness.</b> Outstanding loan balances may be able to be “forgiven” but amount forgiven is a contribution subject to limits.             <ul style="list-style-type: none"> <li>○ <b>Candidate Loans:</b> candidates may forgive unlimited outstanding loans to their own committee.</li> </ul> </li> </ul>

	<p><b>Other 3<sup>rd</sup> Party (Individual(s)).</b> Individuals may lend up to the contribution limits of \$2,800 per lender per loan.</p> <ul style="list-style-type: none"> <li>○ <b>Commercial Lender.</b> Loans from commercial lenders in the business of lending money <b>will not</b> usually be able to “forgive” debt due to the prohibition on corporate contributions to candidate committees.</li> </ul> <p><b>Report loan forgiveness</b> using the “Loans” tab in The Guardian System.</p> <ul style="list-style-type: none"> <li>● <b>Transfer Debt to New Committee.</b> Transferred debt must be reported as follows: <ul style="list-style-type: none"> <li>○ <b>Prior Committee.</b> The transfer of “debt” is listed on Schedule J of the existing committee’s final report.</li> <li>○ <b>New Committee.</b> The transfer of “debt” <b>is also</b> reported on the new committee’s first report as a “debt from prior committee.”</li> <li>○ Transfers of debt both in and out of committees are reported on the filing page where reports are “previewed” or filed.</li> </ul> </li> </ul>
<input type="checkbox"/> Dispose of Surplus Funds	<p>1) Does the committee have funds in excess of what is needed to pay any officeholder expenses, if applicable, or campaign expenses?</p> <p>2) Has the office for which the committee was formed been decided?</p> <p><b>NO:</b> A committee that answers “no” to <b>either</b> question does not have surplus funds. Go to the next step.</p> <p><b>YES:</b> A committee that answers “yes” to <b>BOTH</b> questions has surplus funds that can be used as listed below:</p> <ul style="list-style-type: none"> <li>● <b>Transfer to New Committee.</b> Transfer the funds for use in a future campaign for <b>state</b> office (not federal, county or school district). Current officeholders may use up to the amount of funds transferred to a new committee for the current term’s officeholder expenses.</li> <li>● <b>Donate to a 501(c)(3).</b> Donate surplus funds to a charitable organization that is registered as a 501(c)(3) organization (<b>NOTE:</b> Not all “non-profit” organizations are 501(c)(3) organizations.)</li> <li>● <b>Return to Contributors.</b> Return funds to the contributor(s) of the current committee by any method (so long as a contributor does not receive more money than contributed).</li> <li>● <b>Contribute to a Party Committee.</b> Up to \$25,000 in total may be contributed to political party committees.</li> <li>● <b>Give Item(s) to a 501(c)(3) Fund-raiser Auction.</b> Surplus funds may be used to purchase items for a 501(c)(3) charitable organization following the provisions in Ethics Rule 2.48(F).</li> <li>● <b>Donated to the State or Local Government.</b> Surplus funds may be donated to the State of Oklahoma, an agency, or to any county, city, town or school district following provisions of Title 60 O.S. §381 <i>et seq.</i></li> </ul>
<input type="checkbox"/> Save online records	<p><b>Print off</b> or <b>save</b> electronic copies of all online documents, including bank documents and/or statements, before closing the account(s). Bank may be requested by Commission staff after filing a final report.</p>
<input type="checkbox"/> File a “FINAL REPORT”	<p>A final report is required for all committees but may only be filed <b>after</b> filing any currently due or outstanding reports, and only when there is an ending balance of “0,” all assets have been sold or transferred, and all debts have been resolved.</p> <p><b>Final Reports include information not reported on other reports,</b> such as whether the committee is closing with “debt,” how the committee has resolved debt (if any), and the transfer of surplus funds to the new committee (if any). Click on the “Dissolve Committee” button above the required filings grid to begin the “final report”.</p>
<input type="checkbox"/> Maintain Financial Records	<p>The committee must retain all receipts, bank statements and other documentation supporting the Contributions and Expenditures Reports for at least <b>FOUR (4) years.</b> The Committee is required to provide these documents to the Ethics Commission upon request.</p>

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