



# 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 (<b>not</b> federal, county, municipal, or school district)?</p> <p><b>YES:</b> Use this checklist.</p> <p><b>NO:</b> This committee must be dissolved. Use the “Dissolution Checklist” available at <a href="http://www.ethics.ok.gov">www.ethics.ok.gov</a></p> <p><b>Reminder: New candidate committees <u>will not</u> have surplus funds until the office is decided as to the candidate.</b></p>
<input type="checkbox"/> New Committee Registration	<p>A <u>Statement of Organization</u> is required to be filed 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>• No later than 10 calendar days of accepting <b>or</b> spending over \$1,000 for the new campaign. This includes the candidate’s personal funds, market value of goods and services, and filing fees paid to the Election Board.</li> <li>• Review the Guide and the Registration Checklist for state candidate committees 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 committee. Names include the year of election.</li> </ul> <p><b>NOTE: After a new committee is registered the “old” committee <u>must dissolve within 60 days</u> and <u>can no longer accept contributions</u>. All contributions accepted must be deposited in the new committee.</b></p>
<input type="checkbox"/> Dispose of Assets	<p>Does the committee have any of the following items? If “yes,” continue below or if “no,” move to next section:</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> The earlier committee reports transferred assets as in-kind expenditures “Transfer of Assets to New Committee (Register or Unregistered)”. The “new” committee reports the assets as a “Transfer of Assets from Prior Committee (Register or Unregistered)”.</li> </ul>
<input type="checkbox"/> Pay Debts, Otherwise Resolve Debts, & Report Debts as required	<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 do 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>Loan Forgiveness.</b> A candidate or other 3<sup>rd</sup> party may “forgive” a loan to the committee that is unable to be repaid.             <ul style="list-style-type: none"> <li>○ The forgiven amount is a contribution to the candidate committee and subject to contribution limits.</li> <li>○ Forgiveness is reported using the “Loans” tab in The Guardian System.</li> </ul> </li> <li>• <b>Commercially Reasonable Manner.</b> Resolve debt in a commercially reasonable manner.             <ul style="list-style-type: none"> <li>○ Generally, this would be the way the vendor would resolve any other outstanding debt by any other entity in the normal course of business.</li> <li>○ <u>Report</u> the resolution of debt using The Guardian System on the Final Report accessed by clicking on “Dissolve”, check the box for “Debt” on the filing page and add each debt to be resolved.</li> </ul> </li> <li>• <b>Not Resolved in a Commercially Reasonable Manner.</b></li> </ul>

- If not resolved in a commercially reasonable manner, the amount of the debt is a contribution to the committee and must be reported as a contribution.

**CAUTION: Resolving debt in a non-commercially reasonable way when the vendor is a corporation is a prohibited corporate contribution.**

- **Transfer Debt to New Committee.** Transfers of debt both in and out of committees are reported on the filing page where reports are “previewed” or filed. Transferred debt must be reported as follows:
  - **Prior Committee.** Transfers of “debt” are listed on the committee’s final report like all other debt.
  - **New Committee.** Transfers of “debt” **are also** reported on the new committee’s first report as a “debt from prior committee.”

Contribute to Another Candidate

**Candidate to Candidate Contribution.** A state candidate committee may contribute to another state candidate committee. A state candidate committee must not contribute to a county, municipal, or school board candidate committee. For contributions between committees formed for different years, the lower limit applies.

Candidate Committee Contribution Limits by Election					
2015	2016	2017	2018	2020	2022
\$2,700	\$2,700	\$2,700	\$2,700	\$2,800	\$2,900

Dispose of Surplus Funds

1) Does the committee have funds over what is needed to pay officeholder expenses (if applicable) and/or campaign expenses?

2) Has the office for which the committee was formed been decided?

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

**YES:** A committee that answers “yes” to **BOTH** questions has surplus funds that can be used as listed below:

- **Transfer to New Committee.** Transfer the funds for use in a future campaign for state office (not federal, county, school district, or judicial office). Current officeholders may use up to the amount of funds transferred to a new committee for the current term’s officeholder expenses.
- **Donate to a 501(c)(3).** Donate surplus funds to a charitable organization that is registered as a 501(c)(3) organization. **NOTE: Not all “non-profit” organizations are 501(c)(3) organizations.**
- **Return to Contributors.** Return funds to the contributor(s) of the current committee by any method (so long as a contributor does not receive more money than contributed in the most recent election).
- **Contribute to a Party Committee.** Up to \$25,000 in total may be contributed to political party committees.
- **Give Item(s) to a 501(c)(3) Fund-raiser Auction.** Surplus funds may be used to purchase items for a 501(c)(3) charitable organization following the provisions in Ethics Rule 2.48(F).
- **Donated to the State or Local Government.** Surplus funds may be donated to the State of Oklahoma, an agency, or to any county, city, town or school district following provisions of Title 60 O.S. §381 *et seq.*

Online records

**Print off** or **save** electronic copies of all online documents, including bank documents and/or statements, before closing the account(s). At least 2 bank statements will be requested by the Commission after filing a final report.

File a “FINAL REPORT”

- A final report is required but may only be filed **after** filing any currently due or outstanding reports, all assets have been sold or transferred, all debts have been resolved, and there is an ending balance of “0” in the depository and Guardian..
- Click on the “Dissolve Committee” button above the required filings grid to begin the “final report”
- **Final Reports include information not reported on other reports:** whether the committee is closing with “debt,” how the debt (if any) was resolved.

Maintain Financial Records

The committee must retain all receipts, bank statements, and any other documentation supporting the Contributions and Expenditures Reports or committee activity for at least **FOUR (4) years**. The Committee is required to provide these documents to the Ethics Commission upon request.

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