UNDERSTANDING CONNECTICUT CAMPAIGN FINANCE LAWS

A 2018 Guide for Statewide Office and General Assembly Candidates Participating in the Citizens' Election Program

REVISED JUNE 2018

STATE ELECTIONS
ENFORCEMENT COMMISSION

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Cite this publication as:

Understanding Connecticut Campaign Finance Laws: A Guide for 2018 Statewide Office and General Assembly Candidates Participating in the Citizens' Election Program (Connecticut State Elections Enforcement Commission. Hartford, Connecticut) June 2018.

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I. OVERVIEW

A. Purpose of this Guide

This Guide is intended to clarify and summarize the most important provisions and requirements for participation in the Citizens' Election Program (the "Program"), Connecticut's voluntary public campaign financing program. The purpose of this Guide is to provide candidates and campaign treasurers with useful information, in plain language, about the Program's various rules and requirements.

However, this Guide is not a substitute for the laws and regulations relating to the Program, which can be found at the Connecticut State Elections Enforcement Commission's website, http://www.ct.gov/seec. Anyone using this Guide is also advised to refer to the specific statutory provisions, regulations, declaratory rulings, and advisory opinions of the Commission referenced throughout. For a summary of the Program's features, please refer to the publication "Citizens' Election Program Overview: 2018 Statewide Office and General Assembly Primary and General Elections," also available at the Commission's website.

B. Changes in the Law

During the 2017 special session, the legislature made significant changes to the Citizens' Election Program with the passage of Public Act 17-2 (June Special Session). The Act impacted the 2018 election cycle by: (1) raising the qualifying contribution amounts from $100 to $250 for General Assembly candidates only; (2) adjusting the qualifying contribution threshold required to be raised for General Assembly candidates and statewide office candidates other than Governor and Lieutenant Governor according to the consumer price index ("CPI"); (3) reverting the grant amounts back to their base grant amounts as set forth in the statutes with no CPI adjustment; and (4) imposing a grant reduction schedule so the later a campaign applies for a grant, the smaller the grant it will be eligible to receive. The legislature soon after passed Public Act 17-4 (June Special Session) to clarify that the grant reduction schedule did not apply to special elections. Then, after this guidebook was released in April 2018, the legislature passed Public Act 18-81 which set forth that the grant amounts for 2018 would, in fact, be adjusted for CPI, in effect using the 2014 grant amounts for statewide office campaigns and the 2016 grant amounts for General Assembly campaigns. Public Act 17-2 (June Special Session) also made additional changes that will impact election cycles occurring after 2018. A summary of both the 2018 election cycle changes and the changes to future election cycles is available on the Commission's website. Because this guide is for 2018 candidates, only those changes relevant to the 2018 election cycle will be highlighted in this guidebook.

Public Act 17-2 (June Special Session) also made changes impacting review and enforcement of the Program. First, the Act modified the formula the Commission uses in selecting General Assembly candidate committees for post-election review. Going forward, the randomized lottery will be weighted by taking into account the frequency with which a particular legislative district was reviewed during the last three preceding regular elections for that office. Second, the Act made revisions to

the Commission's complaint procedures so that any complaints received on or after January 1, 2018 must be dismissed if the Commission does not issue a decision on the complaint within one year of receiving it. This one-year time limit may be extended due to the following: (1) the Commission or its staff granting any extension or continuance to a respondent prior to the issuance of a decision; (2) any subpoena being issued in connection with the complaint; (3) any litigation in state or federal court related to the complaint; or (4) any investigation by or consultation of the Commission or its staff with the Chief State's Attorney, the Attorney General, the United States Department of Justice, or the United States Attorney for Connecticut related to such complaint. *See* Public Act 17-2 (June Special Session). In light of such law change, respondents, including treasurers, should be prepared and organized to immediately respond to requests from the Commission in the event a complaint is filed against them.

During the 2016 session, Public Act 16-203 was signed into law, which mandated that the majority of committees registered with the Commission file electronically by eCRIS, effective July 1, 2017. Specifically, the following committees are now required to file electronically: (1) candidate committees and exploratory committees of candidates running for statewide office, General Assembly, or judge of probate that raise or spend $1,000 or more; (2) all state central committees, legislative caucus committees and legislative leadership committees; (3) town committees and political committees registered with the Commission that raise or spend $1,000 or more during the current calendar year or in the preceding regular election cycle; and (4) any other committees or other persons (including individuals and businesses) who make or obligate to make an independent expenditure in excess of $1,000 on behalf of a statewide office, General Assembly, or judge of probate candidate. If a treasurer is able to demonstrate good cause for not being able to file electronically, the Commission may waive the requirement. For the few committees that are permitted to file by paper with the Commission, Public Act 16-203 also added a provision that permits the Commission to consider a committee's receipt from the post office or a commercial delivery service confirming that the statement was made or should have been made to the Commission by the deadline. In addition, Public Act 16-29 imposed new solicitation and contribution restrictions on certain individuals affiliated with the Connecticut Retirement Security Authority.

C. Changes in this Guide

This Guide will highlight the relevant above-referenced changes to the law, which are denoted by reference to the public act. The Guide also offers additional clarification of existing law based on questions received by Commission staff during previous election cycles. Terms defined in the Glossary of this Guide appear italicized when they first appear in the Guide.

We wholeheartedly welcome suggestions for future improvements to this Guide from you, the candidates and candidate committee treasurers, and committee workers that are its intended audience. Please remember, the Guide is not a substitute for statutes and regulations. Anyone using this Guide should refer to the specific statutory provisions, regulations, declaratory rulings, and advisory opinions of the Commission referenced throughout.

D. Basics of the Program

The Citizens' Election Program is a voluntary program which provides full public financing to qualified candidates for Governor, Lieutenant Governor, Secretary of the State, Treasurer, Comptroller, or Attorney General ("statewide office") or for state senator or state representative ("General Assembly"). The Program, administered by the State Elections Enforcement Commission (the "Commission"), is financed through the Citizens' Election Fund, a non-lapsing fund that receives most of its funding from the sale of abandoned property in the State of Connecticut's custody. Individuals, businesses, labor unions, candidate committees, party committees, political committees and entities of any other type may also contribute funds to the Citizens' Election Fund. The Program has no effect on the tax liability of Connecticut residents.

Candidates running for statewide office or General Assembly in November 2018 may join the Program.

Although participation in the Program is voluntary, certain requirements apply to *all* candidates for General Assembly, whether they join the Program or not. All candidates must file a candidate registration (SEEC Form 1) and either a candidate committee registration (SEEC Form 1A) or an exemption from forming a candidate committee (SEEC Form 1B). All candidates with registered candidate committees must file an affidavit of intent to abide by the Program's expenditure limits *or* an affidavit of intent not to abide by those limits (SEEC Forms CEP 10 & CEP 11). However, those candidates who file an exemption from forming a candidate committee (SEEC Form 1B) no longer have to file either affidavit and are presumed to be nonparticipating. All candidate committees also must be aware of and adhere to additional disclosure requirements, including supplemental campaign finance disclosure reporting.

The Commission serves as the filing repository for all statewide office and General Assembly candidate and candidate committee registration forms, campaign finance disclosure statements, and other campaign finance related forms.

E. Goals of the Program

The voluntary public financing Program is designed to improve the electoral process in the following ways:

1. Allowing candidates to compete without reliance on special interest money;
2. Allowing legislators the ability to make decisions free of the influence of, or the appearance that they have been influenced by, donations from special interests;
3. Restoring public confidence in the electoral and legislative processes;
4. Increasing meaningful citizen participation; and
5. Providing the public with useful and timely disclosure of campaign finances.

To participate, candidates must agree to abide by certain requirements, including contribution and expenditure limits and mandatory financial disclosure. This Guide describes those requirements and strives to make the Program understandable and accessible to all candidates, campaign staff, and the public.

F. Candidate Services Unit

The Commission's Candidate Services Unit assist candidates, treasurers and campaign staff in understanding and complying with Program rules and requirements. Each campaign is assigned an elections officer from the Candidate Services Unit to answer questions, listen to suggestions and provide support with all aspects of the Program. The elections officers are part of the campaign finance compliance team, and work with compliance attorneys, disclosure staff, and information technology staff.

Important Note: Every candidate will be assigned an elections officer. **Your elections officer should *always* be the first point of contact for candidates, treasurers and campaign staff with questions about the Program.** The Candidate Services team can be reached at 860-256-2985.

G. eCRIS (Electronic Campaign Reporting Information System)

An essential goal of Connecticut's landmark campaign finance reform legislation is to increase transparency in the financing of political campaigns. To accomplish this goal, the Commission implemented and maintains a new and improved Electronic Campaign Reporting System ("eCRIS") for statewide and General Assembly candidates, party committees, and political committees that are required to file with the Commission.

eCRIS allows candidates, treasurers, and deputy treasurers to electronically submit committee registration information and campaign finance statements detailing the receipts and expenditures of the committee. In addition, eCRIS provides its users with prompts and alerts treasurers to potential compliance issues.

Effective July 1, 2017, all candidate committees and exploratory committees of candidates running for statewide office and General Assembly that raise or spend $1,000 or more are required to file by eCRIS. Moreover, a candidate committee that reaches this threshold must re-file through eCRIS any statements that were not previously filed electronically.

[General Statutes § 9-675(b) (as amended by P.A. 16-203)]

eCRIS users benefit from the following advantages:

- eCRIS Financial Reporting application is easy to use. The application is built using the familiar web-based interface which users can relate to, and can be used on both Mac and PC compatible platforms
- eCRIS Financial Reporting is safe and convenient. The users can work on financial reporting at their own pace by entering and saving financial transactions periodically. The information entered and saved in the application is protected and backed up on a daily basis using state-of-the-art backup technologies.
- eCRIS Financial Reporting is cost-efficient. The cost associated with postage and printing of the reports is minimized, or in many cases eliminated.

- Treasurers can amend a committee's previously filed electronic reports quickly and efficiently because eCRIS preserves the original transactions, thus eliminating the need to retype the data.
- eCRIS Financial Reporting application helps with compliance, by generating the calculations required by law, including aggregates for contributions and expenditures, thereby reducing time and costly mistakes.
- eCRIS Financial Reporting is flexible, because treasurers in large campaigns who are using third party campaign management software can upload data into the application by using eCRIS' upload feature. This prevents users from double entering data into two separate applications.
- eCRIS Financial Reporting users can request a private training session with one of our eCRIS mentors if unable to attend our regularly offered training sessions. We also now have all of our trainings available in easy to digest online segments.
- eCRIS Financial Reporting users have access to custom reports which can be downloaded in MS Excel or CSV formats listing all the contributors, contributions and expenditures. For example, the list of all the contributors can be used at the end of the campaign to send thank you notes.
- eCRIS Financial Reporting users can choose to have a single login which provides access to all the committees the user is associated with.
- eCRIS Financial Reporting application is open for business twenty-four hours a day, seven days a week. The users can access financial reporting data and submit financial reports to the state at any time.
- Treasurers who are not computer-savvy or prefer to delegate data entry tasks may assign the data entry function to another individual and review the report for accuracy and for errors before filing.
- Drafts of disclosure statements can be created and continually updated during each reporting period, and are not visible to anyone else until the final disclosure statement is submitted to the state during the filing period.

If you are currently serving as a candidate, treasurer, deputy treasurer, or data entry operator of a candidate committee, go to the Commission's website to set up an eCRIS user ID and to learn more about the eCRIS system.

Important Note: To contact eCRIS support, please leave a message at 860-256-2930 or send an email with your question to seec.eCRIS.info@ct.gov, and you will receive a prompt response.

Please be sure that your message contains your name, the committee that you are calling about, your role with that committee, a phone number where you can be reached, and a brief description of your question or issue.

The information you provide will assist our eCRIS staff in preparing a response before returning your call so that we can assist you more efficiently. Your call will be returned in the order in which it was received and every effort will be made to return your call within one hour if it is received during regular business hours.

II. GETTING STARTED

A. Before Joining the Program

Before deciding to join the Citizens' Election Program, a candidate must consider several important factors. Joining the voluntary Program requires that candidates and treasurers abide by restrictions on fundraising and spending. It also requires comprehensive and detailed recordkeeping and financial disclosures. By freeing candidates from reliance on special interests, however, participation in the Program allows candidates to rely on small-dollar donations and compete for elective office using citizen-owned democracy. *Regardless of whether or not a candidate joins, the Program requires all candidates for statewide office or General Assembly to adhere to certain requirements involving the timely disclosure of contributions and expenditures.* These requirements are highlighted in this Guide.

Candidates and campaign treasurers should become familiar with the rules and requirements of the Program by reviewing this Guide and the law, including the statutes, regulations, declaratory rulings, and advisory opinions relating to the Program. See the Program's website for more information, http://www.ct.gov/seec.

Candidates should exercise care in selecting a treasurer, deputy treasurer, and campaign staff who are capable and prepared to undertake the effort to understand and comply with Program requirements. The candidate as well as the treasurer and/or deputy treasurer are legally responsible for Program compliance.

Candidates who intend to participate in the Program first must complete several steps, which are discussed in greater detail throughout this Guide:

- Register a candidate committee with the Commission;
- Obtain a federal employer identification number (EIN) from the IRS; and
- File an Affidavit of Intent to Abide by Expenditure Limits.

B. Who is a Candidate?

A candidate is an individual who seeks nomination or election to public office, even if that effort proves unsuccessful. An individual becomes a candidate if he or she personally, or through another person:

1. Has solicited or received contributions, or made expenditures, including expenditures from personal funds, for the purpose of bringing about his or her nomination or election to any office (this means that an individual may become a "candidate" even if he never obtains ballot access);

> **Important Note**: Individuals may, however, solicit or receive contributions on behalf of a party committee or give a party committee consent to make expenditures on their behalf without triggering the need to register as a candidate. General Statutes § 9-601(11). This is a limited exception, only applicable to their involvement with a party committee (i.e. a town committee or a state central committee).

2. Has been endorsed or nominated by a political party and is thus entitled to a position on the ballot at an election or primary (whether or not funds or resources have been solicited, received or expended);
3. Is otherwise qualified for the ballot pursuant to the election laws (i.e. petitioning candidates); or
4. Registers with the Commission as a candidate (whether or not funds or resources have been solicited, received or spent).

All candidates are required to register with the Commission no later than ten days after becoming a candidate.

Important Note: For individuals who become candidates by virtue of being endorsed by a party, it is the date of receipt by the proper authority (i.e. the Secretary of the State's Office) of the endorsement paperwork that marks the beginning of the ten day time period in which the candidate must file his or her registration. See File No. 2015-181.

As discussed more fully below, candidates who intend to participate in the Program register by: (1) filing SEEC Form 1 and 1A to form a candidate committee, or (2) if applicable, filing SEEC Form 4 to form an exploratory committee.

At registration, a candidate forming a committee must appoint a treasurer, and should also appoint a deputy treasurer. After that, the candidate must work closely with his treasurer and deputy treasurer to ensure that all contributions and expenditures are properly reported, including expenditures made by the candidate himself.

Important Note: Failure to file SEEC Form 1 within ten days of becoming a candidate will result in the imposition of a mandatory $100 penalty by the Commission. This penalty may not be paid with committee funds.

[General Statutes §§ 9-601(11), 9-604 (a) and (b), 9-623(b)]

C. What is an Exploratory Committee?

An *exploratory committee* is a committee formed by a candidate who has not yet decided whether or not to seek a particular public office, so that he or she can "test the waters." Such committees are established by a candidate for a single primary or election. An exploratory committee must be tied to a specific election and only one exploratory committee may be formed per election cycle.

An exploratory committee established for a particular election may only be used for that specific election. This means that if a special election is announced, a candidate who has formed an exploratory committee for the November regular election cannot use any funds raised by such exploratory committee for the special election.

Important Note: A candidate considering participating in the Program may begin collecting and properly documenting qualifying contributions during the exploratory committee stage, and expenditures made by the exploratory committee for mailings or websites that solicit such contributions are permissible. For more information, see **Raising Qualifying Contributions in Exploratory Committee in Chapter III**.

A candidate registers an exploratory committee by filing a SEEC Form 4 (entitled "Exploratory Committee Registration") with the Commission. The registration statement must designate the name and address of the committee treasurer, deputy treasurer (if any), the depository institution of the committee's checking account, and the date of the election. The SEEC Form 4 may be submitted online, via eCRIS, by any candidate and treasurer who have obtained eCRIS user IDs.

The purpose of an exploratory committee is to allow a candidate to raise and spend funds in order to determine whether she would have a viable candidacy. Under Connecticut law, the legitimate activity of an exploratory committee includes promoting one's nomination to the ballot. Once the candidate has actually decided to pursue nomination or election to a particular office, the underlying purpose of her activities is no longer exploration, and therefore the candidate must terminate her exploratory committee and form a candidate committee.

Several events trigger the dissolution of an exploratory committee:

- The candidate makes a "public declaration" of her intent to seek nomination or election to a particular public office;
- The candidate receives a party endorsement for a particular public office at a convention, caucus or town committee meeting;
- The candidate files candidacy for nomination under Section 9-400 or 9-405 of the General Statutes (forcing a party primary); *or*
- The candidate decides, before any triggering event mentioned above, to terminate the exploratory committee and form a candidate committee for a particular public office in the same election cycle.

For further information regarding what constitutes a "public declaration," see Declaratory Ruling 2009-01: "Public Declarations by Candidates in Exploratory Committee".

It is particularly important for candidates who intend to participate in the Program to be aware of the triggering events. A candidate who remains in an exploratory committee after triggering the need to dissolve and form a candidate committee runs the two-fold risk of (1) violating the statutory requirements to timely dissolve the exploratory committee, and (2) making expenditures attributable to a candidate committee. If such expenditures deemed attributable to the candidate committee exceed the applicable expenditure limits for the Citizens' Election Program, a candidate could be ineligible for a grant. A candidate who chooses to participate in the voluntary Program agrees to abide by expenditure limits for his or her candidate committee.

When an exploratory committee is dissolved and a candidate committee is formed, any surplus or deficit of the candidate's exploratory committee transfers to that candidate's candidate committee. Such surplus and deficit can have a significant impact on a candidate's ability to participate in the Program. Moreover, expenditures made in the exploratory committee that fall outside the parameters of such committee's purpose of "testing the waters" and deciding whether to run, as opposed to actually running for election, are attributed to the candidate committee, and similarly impact the candidate's ability to participate in the Program.

Important Note: The candidate and treasurer should be aware that the treatment of surplus or deficits at this stage may have an effect on his or her ability to qualify for Program grants.

For more information on how to dissolve the exploratory committee, please see **Chapter X. Termination of the Committee** and the Exploratory Dissolution/Candidate Committee Formation checklist, available on the Commission's website.

[General Statutes §§ 9-601(5), 9-604(c), 9-608(f); Declaratory Ruling 2007-02; Declaratory Ruling 2009-01]

D. What is a Candidate Committee?

A candidate committee means any committee designated by a single candidate, or established with the consent, authorization or cooperation of a candidate. The purpose of a candidate committee is to aid and promote the individual's candidacy for a particular public office. Once a candidate establishes a candidate committee for a particular office, that committee may only be used to support that candidate's campaign for that office.

[General Statutes §§ 9-601(4), 9-604(a) and (c)]

A candidate registers a candidate committee by filing a form entitled SEEC Form 1, "Registration by Candidate," and SEEC Form 1A, "Candidate Committee Registration" with the Commission. Candidate committee registration includes the following information:

1. The name of the committee;
2. The name, address, telephone number, and party affiliation of the candidate;
3. The name, address, and telephone number of the committee's treasurer and deputy treasurer, if a deputy treasurer is appointed;
4. The name and address of the depository institution in Connecticut in which a single checking account is established for the committee's funds – if the candidate had an exploratory committee, the checking account associated with the candidate committee must be a new checking account with a unique account number;
5. Identification of the office being sought by the candidate and the date of the applicable election; *and*
6. Signed and dated certifications by the candidate, campaign treasurer, and deputy treasurer (*if appointed*).

Important Note: A candidate is only required to list the name of his committee's depository institution on his registration statement (and is not required to disclose its account number). This means that he may register his candidate committee before the campaign treasurer opens an actual bank account. Only the treasurer and deputy treasurer (if applicable) may be signatories on the committee's campaign depository account. ***The candidate should not be authorized as a signatory.***

[General Statutes §§ 9-602(a), 9-603(a), 9-604(a), 9-607, 9-616]

A candidate is prohibited from having more than one candidate committee registered as the funding vehicle for the campaign. A candidate who has registered a candidate committee may *not* establish, authorize or assist in the establishment of any other committee to promote the candidate's campaign.

Important Note: Candidates with personal political committees or control of other committees must exercise care to ensure that they stay within the rules of the Program.

Consistent with this prohibition, the chairperson of a political committee formed solely to support a single candidate is required to notify the candidate of the formation of the political committee by certified mail not later than seven days after the political committee is established. If the candidate does not disavow the political committee in writing to his or her filing repository (the State Elections Enforcement Commission, in the case of a statewide office or General Assembly candidate) within fourteen days after receiving such notification, or if the candidate disavows the committee but accepts any funds from the political committee before the disavowal, the political committee is automatically deemed to be the candidate's candidate committee. A violation of this prohibition against having two simultaneously existing committees is considered an extremely serious violation of the election laws.

[General Statutes § 9-604(a) and (c)]

Important Note: An ***exploratory committee*** may be formed by a potential candidate who wishes to "test the waters." This means that an exploratory committee is permitted where a candidate would like to run for public office, but is not sure which of several offices to run for (e.g., a candidate would like to run for office but is not sure whether to pursue the office of state representative or state senator), or is not sure whether he would be a viable candidate and wishes to explore his viability (e.g., he would run for state senator if he were to run but is not sure if he would be a viable candidate and wishes to raise and spend a little money on activities, such as polls, so that he can make his ultimate decision on whether to pursue this office).

A ***candidate committee*** is the proper funding committee for a candidate who is not testing the waters, but who would like to raise and spend funds for the purpose of pursuing nomination or election to a specific office (e.g., a candidate who is certain that he would like to run for state senator and who wishes to raise and spend funds for that purpose).

Please consult Commission staff with any questions on this topic.

E. When and How to Amend a Registration Statement

Any additions or revisions to a registration statement (i.e. a change in treasurer) must be made in writing (original must be submitted to the Commission's office by mail or hand delivery) or electronically submitted (both the candidate and the treasurer and deputy treasurer, if applicable, must have eCRIS accounts) to the Commission by the candidate within ten days of the addition or revision. Completion of an amended SEEC

Form 1 and SEEC Form 1A (if applicable) is required with any changed information. Use of eCRIS expedites this process, and ensures compliance.

F. Treasurers and Deputy Treasurers

Each committee must appoint one treasurer and should also appoint a deputy treasurer. A treasurer or deputy treasurer is an individual who is a registered voter (elector) in Connecticut who is appointed by the candidate to serve as treasurer or deputy treasurer for the campaign. The treasurer and deputy treasurer, if applicable, are the only individuals who hold the authority to deposit funds into the committee's depository account and the only ones who can authorize expenditures from that account and file the committee's financial disclosure reports. Designating a deputy treasurer on the candidate committee registration statement (SEEC Form 1A) is important: if the treasurer is unavailable or resigns for any reason during a campaign and there is no deputy treasurer, the committee's financial operations come to a complete halt until the committee registers a new treasurer. For more information, see **Chapter VIII. Treasurer's Responsibilities and Recordkeeping**.

Important Note: There may be only one deputy treasurer appointed at a time. Since only an appointed deputy treasurer can authorize or make expenditures and deposit funds if the treasurer is unavailable, it is **strongly recommended** that all candidates appoint a deputy treasurer.

The treasurer and deputy treasurer (if applicable) must be registered voters in Connecticut. The following restrictions apply to individuals wishing to serve as treasurer or deputy treasurer of a statewide office or General Assembly candidate or exploratory committee:

- A candidate cannot serve as his or her committee's treasurer or deputy treasurer.
- Commissioners and deputy commissioners of state agencies cannot serve as treasurers or deputy treasurers.
- Practically speaking, communicator lobbyists, their immediate family members (spouse and dependent children), and their agents may not serve as treasurer or deputy treasurer of a committee that is engaged in fundraising because they are prohibited from bundling contributions (forwarding five or more contributions) for a statewide or General Assembly exploratory or candidate committee.
- Practically speaking, a member of the Investment Advisory Council may not act as treasurer or deputy treasurer for an exploratory or candidate committee for State Treasurer since they are not permitted to solicit contributions for such committees. Also, a principal of an investment services firm that does business with the State Treasurer may not serve as treasurer or deputy treasurer for an exploratory or candidate committee established by the incumbent State Treasurer during the Treasurer's term of office since they cannot solicit contributions for such an exploratory or candidate committee.

- A person who has not paid civil penalties or forfeitures assessed against him under the campaign finance statutes may not serve as treasurer or deputy treasurer. In addition, a person may not serve as treasurer or deputy treasurer if the person has been convicted of or pled guilty or *nolo contendere* to any felony involving fraud, forgery, larceny, embezzlement or bribery, or any criminal offense under the state election or campaign finance laws unless at least eight years have elapsed from the date of the conviction or plea or the completion of any sentence, whichever date is later, without a subsequent conviction of or plea to another such felony or offense.

A principal of a state contractor may be designated as treasurer or deputy treasurer of a statewide or General Assembly candidate's committee, subject to the state contractor contribution provisions and the narrowed solicitation provisions. If you are a candidate who wishes to designate a principal of a state contractor as your committee's treasurer or deputy treasurer, or you are a principal of a state contractor who would like to serve as treasurer or deputy treasurer, please see the section, "Limitations on Who May Solicit Contributions," in **Chapter III. Qualifying Contributions**.

[General Statutes §§ 9-606(d), 9-610(h), 9-612(f)(2)(A) and (B), 9-622(11)]

G. Resignation and Replacement of the Treasurer

A treasurer may resign, be replaced, or otherwise become incapacitated. If a treasurer wishes to resign, he must submit a written statement of resignation with the Commission in order to be relieved from his statutory obligations going forward. Any treasurer may submit a resignation by email at SEEC@ct.gov. If a candidate submits an amended registration statement appointing a new treasurer, signed by both the candidate and the new treasurer, the prior treasurer is also relieved of his duties even if he has not submitted a statement of resignation.

Upon a treasurer's resignation or permanent incapacity, the deputy treasurer, if any, automatically succeeds as treasurer until a new treasurer has been appointed. Where no deputy treasurer has been appointed, the failure to designate a successor treasurer within ten days of the resignation or incapacity is a violation of General Statutes § 9-602(c), for which a fine may be imposed against the candidate. Regardless of whether a deputy treasurer has been appointed, it is strongly recommended that the candidate designate a successor treasurer to fill the vacancy by filing an amended SEEC Form 1/1A with the Commission within the ten days.

A committee may not deposit any contributions, or make or incur any expenditures during a period in which the committee is without a treasurer or deputy treasurer. A candidate is legally liable for any such violation and subject to a civil penalty of up to $2,000 per each violation.

[General Statutes §§ 9-7b, 9-602(c), 9-607(a) and (d)]

H. Designation of a Depository Institution for Committee Funds

The name and address of a single depository institution located in Connecticut must be designated on the committee's registration statement. All committee funds must be deposited **into a single checking account** established within the designated depository

and all expenditures may be made only by the treasurer or deputy treasurer, if applicable, from this one account. The treasurer and deputy treasurer, if applicable, should be the only signatories on the checking account. Note that the depository account number is not required on the registration statement, so candidates may register their committees before they have physically opened up an account.

The deposit to open the account may come from a qualifying contribution or contributions. **If the candidate provides the initial deposit to open the account, that is considered the provision of personal funds (which are limited under Program rules), since a candidate cannot make a qualifying contribution to his own committee. Initial deposits are not refundable to the candidate.**

[General Statutes §§ 9-602(a), 9-607(e); Advisory Opinion 1975-6]

I. Federal Employer Identification Number (EIN) Requirement

In order to receive a Program grant, a treasurer must complete an Electronic Funds Transfer Form (SEEC Form CEP 12) and open a candidate committee bank account utilizing an *EIN* for the committee provided by the Internal Revenue Service (IRS).

Important Note: For purposes of grant application, candidates who have run in the prior election cycle and are using the same committee name may retain the EIN they received in the prior year. However, they may not use the same bank account. While they may use the same banking institution, each committee is required to have its own unique bank account.

Treasurers can obtain an EIN online through the IRS's website by following the link to Apply for an EIN Online. That page contains a link to a secure site called "EIN Assistant," which helps users through a brief online application process, after which their EIN number will become available immediately. The IRS's EIN webpage contains more information about EINs, including some frequently asked questions.

The IRS also accepts EIN applications via telephone (800-829-4933), facsimile, or mail. Please see the IRS EIN webpage "How to Apply for an EIN" for information and instructions.

Important Note: There may be additional IRS requirements regarding an Employer Identification Number and the necessity to make filings regarding the committee's taxable income. Any questions about these IRS filing requirements should be directed to the toll free telephone number 800-829-4933. Additionally, information is available at the following IRS websites: www.irs.gov or www.irs.gov/eo. Commission staff cannot provide information about these rules or requirements.

J. Joining the Program: Affidavits of Intent

Candidates who elect to participate in the Program ("participating candidates") must complete the Affidavit of Intent to Abide by Expenditure Limits and Other Program Requirements (SEEC Form CEP 10). Candidates who elect *not* to participate in the Program ("nonparticipating candidates") must complete the Affidavit of Intent *Not* to Abide by Expenditure Limits (SEEC Form CEP 11). The deadline to file one of these forms (SEEC Form CEP 10 or SEEC Form CEP 11) is no later than 4:00 p.m. on the 25th day

before the day of a primary, if applicable, or on the 40th day before the day of the election for such office.

For candidates in the August 14, 2018 primaries, the filing deadline is 4:00 p.m. on July 20, 2018.

For candidates in the November 6, 2018 general elections and who do not face a primary, the filing deadline is 4:00 p.m. on September 27, 2018.

Important Note: The deadline to opt in or out of the Program depends on whether or not a particular candidate is in a primary. A candidate in a primary who does not join the Program by the primary deadline (no later than 25 days before the primary) ***cannot*** later join the Program for the general election because the deadline to join the Program for candidates in a primary has passed.

Candidates who are in an exploratory committee should *not* file an Affidavit of Intent until they dissolve the exploratory committee, even if raising qualifying contributions in the exploratory committee.

Candidates who have filed a Certification of Exemption from Forming a Candidate Committee (SEEC Form 1/1B) are not required to file either affidavit, and are considered nonparticipating candidates.

The SEEC Form CEP 10 or SEEC Form CEP 11 must be signed under oath, filed in its original form with an actual ink signature – it cannot be filed electronically – **and the original form with an actual ink signature must be *received by* the Commission by the applicable deadline**.

Important Note: The Commission strongly recommends that you wait to submit your SEEC Form CEP 10 until **after** your nominating convention or the official notice that you have achieved ballot access. Candidates must declare their party status on the SEEC Form CEP 10 and a candidate who changes his or her party status or becomes a candidate for a different party or a petitioning candidate after filing this form will not be eligible to apply for a Program grant. For example, if you submit your SEEC Form CEP 10 indicating Democrat as your party status but then do not prevail at the Democratic convention, you will not be able to participate in the public financing program should the Independent, Green, Working Families or another party endorse you or if you decide to petition on to the general election ballot.

If you wait until after you absolutely know how you are getting on the ballot to submit your SEEC Form CEP 10, you will be able to participate in the Program under whichever party designation has gotten you onto the ballot. Prior to submitting the SEEC Form CEP 10, you should still fundraise consistent with CEP regulations and you can tell your voters, campaign team, and the media that you are participating in the Program.

Please also note that a candidate petitioning to force a major party primary is considered a major party candidate, not a petitioning candidate. Petitioning candidates refer to those candidates who have petitioned onto the general election ballot.

[General Statutes §§ 9-703(a), 9-706(a)(4)]

K. Withdrawal from the Program

Prior to submitting a grant application, a candidate who has filed an Affidavit of Intent to Abide by Expenditure Limits may revoke that affidavit and withdraw from the Program by filing with the Commission an affidavit certifying his or her withdrawal from the Program (SEEC Form CEP 13 (Affidavit of Withdrawal)).

After submitting a grant application, a candidate may *not* withdraw while the grant application is pending before the Commission. However, *in very limited circumstances*, a participating candidate may withdraw after applying for a grant. If the candidate submits a grant application and the Commission rejects that application, the candidate has two options:

1. The candidate may reapply for the grant (if the final grant application deadline has not passed and the committee can cure the reasons its initial application was not approved); *or*
2. If the candidate's grant application has been denied, the candidate may ask the Commission to allow the candidate to withdraw from the Program by filing SEEC Form CEP 13. If the Commission approves this request to withdraw, the candidate will be deemed a nonparticipating candidate.

Important Note: A candidate who files an affidavit certifying his or her withdrawal from the Program (SEEC Form CEP 13) must comply with all Program requirements, including expenditure limits, until the Commission reviews the withdrawal affidavit and deems the candidate to be a nonparticipating candidate.

[General Statutes § 9-703 (c); Advisory Opinion 2010-01]

L. Spending Limits

Spending limits are an important aspect of the Program and are separated into discrete periods of an election cycle:

1. The period before a primary campaign and general election campaign (the pre-primary/pre-general election period);
2. The primary campaign period (if applicable); and
3. The general election campaign period.

Expenditures by a candidate committee during the pre-primary/pre-general election period are limited to the required amount of qualifying contributions, plus any allowable personal funds the candidate provides to the candidate committee. Participating candidates, or those who intend to participate, must be careful to avoid exceeding the pre-primary/pre-general election expenditure limit by making or obligating themselves to make an expenditure that results in their aggregate spending total exceeding the pre-primary/pre-general election period spending limit. Excess spending by participating candidates will disqualify them from receiving Program grants.

The expenditure limit during the primary campaign period and the general election campaign period is calculated by adding the full amount of grant eligible to be

awarded, *and* any unspent qualifying contributions or unspent personal funds that had been provided by the candidate.

See **Chapter VI. Campaign Expenditures** for further information on spending limits, including charts on the applicable limit based on period and office sought.

[General Statutes §§ 9-372, 9-700, 9-702, 9-705, 9-710, 9-711; Regs., Conn. State Agencies § 9-702-1]

For candidates starting in an exploratory committee, the Program's expenditure limits attach when the candidate declares his or her intent to seek a particular public office, or when the candidate files a notice of intent to dissolve the exploratory committee, *whichever is earlier*. At the time of dissolution, any deficit is transferred to the candidate committee from the exploratory committee. If the deficit transferred to the candidate committee exceeds the Program's applicable expenditure limits, the candidate will be unable to join the Program. See the Qualifying Contributions section of this Guide for more information on the relationship between exploratory committees and candidate committees.

[General Statutes §§ 9-608(f), 9-702(c), 9-705, 9-710, 9-711; Declaratory Ruling 2007-02]

M. Electronic Funds Transfer

After the Commission has approved a grant application, Program grants are issued via the State's electronic funds transfer system. Candidates wishing to participate in the Program must therefore fill out and file an Electronic Funds Transfer Form (SEEC Form CEP 12) with the Commission before submitting a grant application.

The information provided in the SEEC Form CEP 12 is entered into the state accounting system (CORE-CT). Before any grant amount may be sent to the committee's account, a test transaction (known as the "penny test") must be conducted to confirm the accuracy of the candidate committee's account information. This simply means that a random amount of between one cent and ten cents will be deposited into the candidate committee's account to confirm that the account information was accurately entered into CORE-CT. The committee's assigned Candidate Services Liaison will then instruct the treasurer how to confirm the test amount received. This transaction may be reported as a receipt in Section I of SEEC Form 30, "Miscellaneous Monetary Receipts Not Considered Contributions."

[General Statutes § 9-706(d)]

Important Note: It is *strongly* recommended that all committees file their SEEC Form CEP 12 well before submitting a grant application. If the candidate waits and files his SEEC Form CEP 12 at the same time as his grant application, there is a strong possibility that the initial grant payment will be delayed. Committees do NOT have to have a filed a SEEC Form CEP 10 in order to file a SEEC Form CEP 12.

N. Personal Funds

The Program permits candidates intending to participate to provide a limited amount of personal funds to their candidate committees only *before* applying for a grant. *Any allowable personal funds provided will reduce the grant by a corresponding amount*.

The maximum allowable amount of personal funds depends on the office being sought. Non-reimbursed expenditures by the candidate are also considered personal funds and count against the candidate's personal funds limit.

Office Sought	Maximum Allowable Personal Funds
Governor	$20,000
Lieutenant Governor, Secretary of the State, State Comptroller, State Treasurer, Attorney General	$10,000
State Senator	$2,000
State Representative	$1,000

There is a difference between a candidate's provision of personal funds, for which the candidate does not seek reimbursement (which counts towards the candidate's personal funds limit), and expenses paid by the candidate for which she seeks reimbursement (which do not count toward the candidate's personal funds limit, as long as the reimbursement is completed within a reasonable time; the Commission has found that reimbursement within 45 days of the date the expenditure was made or incurred is generally a reasonable amount of time).

Important Note: If the candidate deposits any money into the bank account, including seed money to his campaign to open the bank account (e.g., if the bank requires the treasurer to deposit funds to create the committee's account and the candidate provides those funds to the treasurer for this initial deposit), he *cannot* be reimbursed for this expenditure and it must be counted as personal funds.

It is the responsibility of the candidate to timely inform his treasurer when he makes or obligates to make an expenditure, and whether or not such expenditure is being made from personal funds, or with an expectation of reimbursement.

Important Note: A candidate who provides more than the maximum allowable amount of personal funds to his candidate committee will not be in compliance with Program requirements, and consequently will not be eligible to receive public funds. In addition, such personal funds may not be provided as a loan to the candidate committee. Expenditures made by the candidate for which the candidate is not seeking reimbursement will be included in the tally of personal funds provided.

A candidate's personal funds provided to the committee do not constitute qualifying contributions.

[General Statutes §§ 9-705(j)(1), 9-710; Declaratory Ruling 2007-01]

O. Reusing Campaign Materials from a Previous Campaign

1. Lawn Signs

A candidate may reuse lawn signs over which he has maintained control and custody from a prior election year. Such use of lawn signs must be reported and will affect the committee's grant amount if the number of signs exceeds a certain trigger amount:

- If a participating candidate for Governor, Lieutenant Governor, Secretary of the State, State Comptroller, State Treasurer or Attorney General has control and custody over 500 or more lawn signs that she is reusing, the treasurer must report use of the signs and her committee's grant will be reduced by $2,500.
- If a participating *state senate* candidate has control and custody over 100 or more lawn signs that he is reusing, the treasurer must report use of the signs and his committee's grant will be reduced by $500.
- If a participating *state representative* candidate has control and custody over 50 or more lawn signs that she is reusing, the treasurer must report use of the signs and her committee's grant will be reduced by $250.

If the candidate provides old lawn signs in excess of the trigger amount to the committee *before* applying for a grant, the committee must report the provision of these signs in Section O, "Campaign Expenses Paid by the Candidate" of the Itemized Financial Disclosure Statement (SEEC Form 30), indicating the date the candidate provided the signs to the campaign as the date of payment, that reimbursement was not sought, the number of lawn signs provided in the description field, and $2,500, or $500 or $250 as the amount.

The candidate may also provide old lawn signs to his candidate committee *after* the committee receives a grant. In this instance, if the number reused is 500 or more for a statewide office candidate or 100 or more for a state senate candidate or 50 or more for a state representative candidate, the campaign treasurer must write a check for $2,500, $500 or $250, respectively, to the Citizens' Election Fund ("CEF"). This expense is reported in Section N, "Expenses Paid by Committee," of the SEEC Form 30, with CEF as the payee and CEF as the code, along with the number of lawn signs provided in the description field.

If the candidate provides *less than* the above listed thresholds (less than 500 for a statewide office candidate, less than 100 for a state senate candidate or less than 50 for a state representative candidate), then the candidate committee's grant will not be affected and there are no reporting requirements.

[General Statutes § 9-705(j)(5); Advisory Opinion 2008-02]

2. Other Prior Assets

Other prior assets, such as banners, stationery, palm cards, thank you notes, buttons, t-shirts, domain names, and other campaign paraphernalia left over from the candidate's prior committee(s) that have little or no value to anyone other than the candidate may be declared as a personal funds provision by the candidate at the time they are given to the campaign. If the candidate chooses to use these other types of prior assets and donates them *before* the committee applies for and receives

a grant, the committee should value them at their *original purchase price* and the treasurer must report that value in Section O (Expenses Paid by Candidate) of the SEEC Form 30, indicating the date the candidate provided the prior asset to the campaign as the date of payment, that reimbursement was not sought, a description of the assets provided in the description field, and the original purchase price as the amount. Unlike lawn signs, there is no minimum threshold for reporting the provision of other prior assets. Thus, the campaign must report such provision of prior assets and they will affect the grant amount, no matter how minimal the value.

If the candidate donates the prior assets *after* the committee receives a grant, the committee will have to write a check out to the CEF for the value of the assets provided. This expense is reported in Section N (Expenses Paid by Committee) of the SEEC Form 30, with CEF as the payee and CEF as the code, along with a brief description of the prior assets provided.

Example: State Representative candidate X's committee purchased 500 palm cards saying "Vote for X" at a cost of $.50 each for her previous campaign. Candidate X is now participating in the Program and running for reelection as a state representative. X would like to reuse 300 of the cards. The value of those 300 cards counts as the provision of $150 in personal funds.

Value of cards used (300 x $.50) = $150

Allowable amount of personal funds less value of cards used = remaining allowable personal funds ($1,000 - $150 = $850)

[General Statutes § 9-705; Advisory Opinion 2008-02]

P. Using Exploratory Committee Goods and Services in Candidate Committee

The treasurer of a candidate who started with an exploratory committee and who forms a candidate committee must submit a "carry-forward" letter to the Commission when filing the exploratory committee termination statement, describing the item(s) or service(s) and detailing the value of anything being carried forward from the exploratory committee to the candidate committee. The carry-forward letter must include a description and value of any goods or services purchased or prepaid by the exploratory committee that the candidate committee will be using. This informational communication should be submitted by all such committees, even if the committee does **not** plan to carry forward any goods or services from the exploratory committee to the candidate committee (in that instance, the letter would explain that no goods or services are being carried forward).

For more information about dissolving an exploratory committee, please see **Chapter X. Termination of the Committee** or the Exploratory Dissolution/Candidate Committee Formation checklist available on the Commission's website.

Q. Loans to the Candidate Committee

Candidates intending to participate in the Program may only take out a loan or loans totaling $1,000 or less from a financial institution or institutions. Such borrowed funds do not constitute qualifying contributions.

The term "financial institution" includes a bank, a Connecticut credit union, a federal credit union, an out-of-state bank that maintains a branch in this state and an out-of-state credit union that maintains an office in this state.

No person, political committee, or party committee can endorse or guarantee a loan or aggregate loans exceeding $500, except that the candidate, or, in a general election, a state central party committee, may endorse or guarantee loans from financial institutions up to $1,000.

A participating candidate must repay all outstanding loans *before* applying for a grant from the Citizens' Election Fund.

Caution: **A candidate intending to participate in the Program whose candidate committee accepts a loan, *in any amount*, from an individual (including the candidate), a political committee, a corporation, or *any source other than a financial institution* will not be in compliance with Program requirements, and consequently will not be eligible to receive a Program grant.**

A candidate intending to participate in the Program whose candidate committee accepts a loan or loans *from a financial institution or institutions exceeding $1,000 in the aggregate* will also not be in compliance with Program requirements, and consequently will not be eligible to receive public funds.

[General Statutes § 9-710; Declaratory Ruling 2007-01]

III. QUALIFYING CONTRIBUTIONS

To qualify for public financing, candidates must demonstrate they have adequate support from the public. Candidates accomplish this by meeting a three-part "threshold:"

1. Candidates must raise an *aggregate amount* of small-dollar monetary contributions (between $5 and $100 for statewide office candidates and between $5 and $250 for General Assembly candidates) from individuals ("qualifying contributions"). The threshold amount varies based on the office sought;
2. General Assembly candidates must receive such contributions from a certain number of individuals residing in the district ("in-district contributions") where the candidate seeks nomination or election. The threshold number of such individual contributors varies based on the office sought. Statewide office candidates must receive a minimum amount of such qualifying contributions from in-state residents based on the office sought; ***and***
3. Candidates must obtain access to the ballot. The method of ballot access is part of the process to measure public support and therefore the grant amount which a qualified candidate committee may receive.

This chapter discusses each of the requirements for obtaining qualifying contributions to become eligible to receive a public grant, as well as fundraising for your campaign.

A. Two Components of Qualifying Contributions

Statewide office and General Assembly candidates who wish to participate in the Program must demonstrate that they have substantial public support by raising small-dollar contributions subject to the following:

1. An aggregate amount of money which must be raised; ***and***
2. A minimum number of monetary contributions from individuals who reside "in-district", or for statewide office candidates, a minimum amount from individuals who reside in the state (see charts later in this section).

[General Statutes § 9-704(a) and (c)]

Participating candidates who win a primary and proceed to the general election as the party nominee need only raise the qualifying threshold once.

[General Statutes § 9-708]

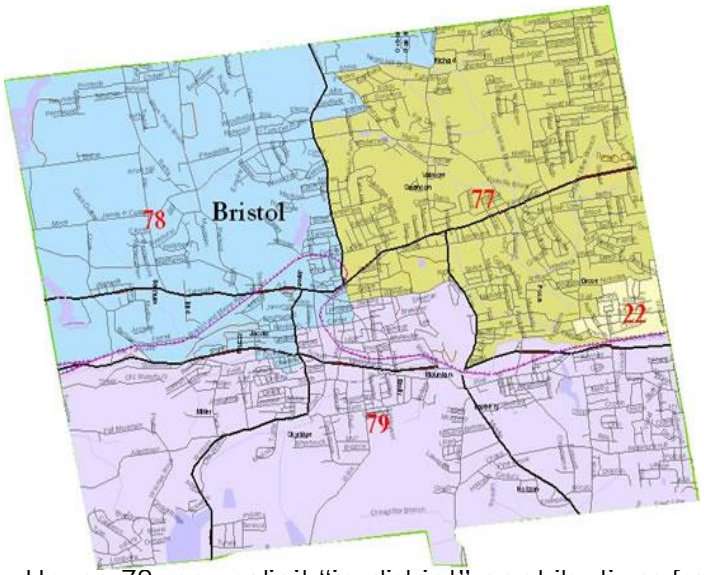
1. General Assembly Candidates: "In-District" Defined

Participating candidates for General Assembly must receive a minimum number of monetary contributions from individuals (including sole proprietorships) who reside within municipalities located, in whole or in part, in the district for which the candidate seeks legislative office. This means that even if only a small section of a particular town is in the district, candidates may still obtain "in-district" qualifying contributions from an individual residing anywhere in that town. Participating General Assembly candidates

may receive qualifying contributions of between $5 and $250, in the aggregate, from an "in-district" contributor.

[General Statutes § 9-704 (a) (as amended by P.A. 17-2 (June Special Session)); Declaratory Ruling 2007-04]

Example: A candidate is running for state representative in the 78th District, which encompasses part of the City of Bristol and all of the town of Plymouth. Bristol is comprised of three House Districts: 77, 78 and 79.



The candidate for House 78 may solicit "in-district" contributions from any part of the City of Bristol and any part of the town of Plymouth. This means that contributions from contributors who reside anywhere in Bristol will constitute "in-district" contributions, regardless of whether they live in House Districts 77, 78 or 79.

2. Statewide Office Candidates: "In-State" Defined

Participating candidates for statewide office must receive a minimum amount of monetary contributions from individual human beings including sole proprietorships who reside in the state of Connecticut. Participating candidates may receive qualifying contributions of $5 up to $100, in the aggregate, from an "in-state" contributor.

[Declaratory Ruling 2007-04]

3. Required Aggregate Dollar Amounts

The following tables summarize the required threshold amounts of qualifying contributions for statewide office and General Assembly candidates in a regular election.

Office Sought in a Regular Election	Aggregate Contribution Requirement—Individuals Only	Minimum Amount of "In-State" Qualifying Contributions	Contribution Limits
Governor	$250,000	$225,000	$5 to $100
Lieutenant Governor	$75,000	$67,500	$5 to $100
Secretary of the State, State Comptroller, State Treasurer, Attorney General	$76,600*	$68,900*	$5 to $100

* Adjusted for CPI pursuant to P.A. 17-2 (June Special Session).

Office Sought in a Regular Election	Aggregate Contribution Requirement—Individuals Only	Minimum Individual "In-District" Qualifying Contributions	Contribution Limits
State Senator	$15,300*	300 residents of municipalities included, in whole or in part, in the district	$5 to $250
State Representative	$5,100*	150 residents of municipalities included, in whole or in part, in the district	$5 to $250

* Adjusted for CPI pursuant to P.A. 17-2 (June Special Session).

Important Note: While a single contributor may give multiple qualifying contributions (not to exceed $100/$250 in the aggregate, as applicable) to a particular participating candidate, which will count toward the aggregate amount threshold -- for purposes of the "in-district" minimum threshold for General Assembly candidates, these multiple contributions from the same individual only count as **a single in-district** qualifying contribution.

[General Statutes § 9-704(a)]

4. General Assembly Candidates – Required Aggregate Dollar Amounts for a Special Election

Office Sought in a Special Election	Aggregate Contribution Requirement—Individuals Only	Minimum Individual "In-District" Qualifying Contributions	Contribution Limits
State Senator	$11,500	225 residents of municipalities included, in whole or in part, in the district	$5 to $250
State Representative	$3,800	113 residents of municipalities included, in whole or in part, in the district	$5 to $250

B. What Is a Qualifying Contribution?

A qualifying contribution must be from an individual (subject to the prohibitions discussed below) and must be between $5 and $100 from each contributor in the aggregate in the case of statewide office candidates and between $5 and $250 from each contributor in the aggregate in the case of General Assembly candidates. A qualifying contribution must be monetary and can only be made and received in the following forms: cash (up to $100), money order (up to $100), personal check, personal debit card, or personal credit card. Each qualifying contribution must also be adequately documented and disclosed. See **Documentation for Qualifying Contributions**, later in this Chapter, for more information.

Important Note: While the qualifying contribution limit has increased from $100 to $250 for General Assembly candidates, the cash limit remains at $100.

Communicator lobbyists and their immediate families may make qualifying contributions of up to $100,and only when the legislature is not in session. During the session, communicator lobbyists may not make or solicit qualifying contributions. Because the definition of "solicit" includes participating in fundraising, lobbyists may not attend candidate committee fundraisers during the session. There are also some additional restrictions on the solicitation and bundling activities of communicator lobbyists, as later described in this Guide.

[General Statutes §§ 9-610(g), 9-704 (as amended by P.A. 17-2 (June Special Session)); Declaratory Ruling 2007-03]

C. Excess ("Buffer") Qualifying Contributions

Qualifying contributions raised above the required threshold are called "buffer" qualifying contributions. The Commission recommends raising (but not spending) such additional "buffer" contributions because these contributions are useful in the event that some of the candidate's other contributions are deemed to be non-qualifying during the grant application review. Candidates are encouraged to accept buffers for both (1) the minimum number of "in-district" contributors (for General Assembly

candidates) or minimum amount of in-state contributions (for statewide office candidates); and (2) the required aggregate monetary amount of qualifying contributions. Based on prior elections, committees with less than a 5% buffer had lower rates of first time approval.

Important Note: General Assembly candidate committees raising larger dollar qualifying contributions of $250 per the recent change in the law are recommended to collect an even greater buffer amount than they would have in the past since the inability for these larger contributions to qualify will result in a greater shortfall.

The amount of buffer qualifying contributions raised beyond the qualifying threshold must be transmitted to the Citizens' Election Fund with the candidate's grant application. **In other words, candidates are permitted to *raise, but not spend,* buffer qualifying contributions in their candidate committees in order to facilitate the application process.**

[General Statutes §§ 9-704(d), 9-706(b)(4); Declaratory Ruling 2007-03]

Example of Buffer Qualifying Contributions: A participating candidate for state senator in a regular election raises $15,800 in qualifying contributions which includes 330 qualifying contributions from "in-district" contributors (i.e. $500 more and 30 "in-district" contributors greater than the threshold the candidate must meet to qualify for a grant). With his grant application, the candidate includes a check for $500 to the Citizens' Election Fund for the buffer qualifying contributions.

During the grant application review, one $100 contribution from an in-district resident and twenty $10 contributions from in-district residents are deemed non-qualifying because they lack the correct documentation. For purposes of grant qualification, the candidate's total amount of qualifying contributions is reduced by $300 for a total of $15,500 in qualifying contributions and his total number of in-district contributors is reduced by 21 for a total of 309 qualifying contributions from in-district contributors. Because the candidate submitted "buffer" contributions, which were all properly documented, the Commission was able to count the documentation of those buffer contributions in place of the rejected contributions and his final totals of $15,500 and 309 "in-district" reach the required thresholds, qualifying him for a grant.

D. How to Calculate the Amount of the Buffer Check

When the committee submits its grant application, it must submit a committee buffer check made out to the Citizens' Election Fund for any funds raised above the qualifying threshold amount ($250,000 threshold for a candidate for Governor, $75,000 threshold for a candidate for Lieutenant Governor, $76,600 for a candidate for any other statewide office, $15,300 threshold for state senate candidates, and $5,100 threshold for state representative candidates).

The amount of the buffer is calculated by the following formula:

- ***Buffer check to Citizens' Election Fund =*** Total individual contributions received ***minus*** contributions refunded to individual contributors (including any checks from contributors which bounced) ***minus*** the qualifying contribution threshold amount required as noted in the paragraph above.

Total individual contributions are typically determined by the aggregate number which is listed in Column B of the Summary Page Totals on line 14 of the campaign finance disclosure statement (SEEC Form 30) accompanying the grant application.

- Remember that if a committee refunds a check, the treasurer must report the refund in Section N of the SEEC Form 30 using the expenditure code "REF" and including in the description field a reference to the contribution that is being refunded.
- Remember that if a contribution check written to the committee (and reported in Section B) bounces, the amount of the bounced check should be reported in Section N using the expenditure code "REF" and any associated bank charges should be reported separately in Section N using the expenditure code "BNK".
- The qualifying threshold number is determined by the office the candidate is seeking.

The buffer check is reported in Section N "Expenses Paid by Committee" on the SEEC Form 30 accompanying the grant application.

**The treasurer should make his best effort to calculate the amount of the buffer check. If you are unsure of the buffer amount, the treasurer should contact the committee's candidate services liasion.

E. What Contributions are Non-Qualifying?

Contributions that either do not meet the criteria for a qualifying contribution and/or come from a prohibited source are deemed *non-qualifying contributions*. The campaign treasurer is responsible for scrutinizing all contributions received before depositing them in the committee's bank account to ensure they meet the criteria for a qualifying contribution.

Before a candidate applies for a grant, all non-qualifying contributions must be returned to the contributor or transmitted to the Commission for deposit into the Citizens' Election Fund. If, for any reason, the campaign treasurer is unable to return a non-qualifying contribution, the campaign treasurer must transmit it to the Citizens' Election Fund.

[General Statutes §§ 9-704, 9-706(b)(4)]

The following are some examples of contributions or receipts which *do not constitute qualifying contributions* either because they do not meet the criteria for qualifying contributions or because they are from a prohibited source.

1. Contributions Lacking the Criteria for a Qualifying Contribution

To reiterate, all qualifying contributions must be from individuals and between $5 and $100 (statewide office) / $250 (General Assembly) in the aggregate. Because the following types of contributions do not meet these criteria, they are non-qualifying.

a. Non-Monetary ("In-Kind") Contributions

An *in-kind contribution* is the donation of goods, services or anything of value given free of charge or at less than the usual charge to the recipient committee. An in-kind contribution is valued at the usual and customary charge less any amount paid by the recipient committee. An in-kind contribution could include the use of real property for a committee headquarters or the use of personal property such as facilities, supplies, equipment and mailing lists.

A discount is also a type of in-kind contribution. A discount is the difference between the usual and customary charge for goods or services and the amount charged to the recipient candidate or committee.

In-kind contributions are not monetary and thus are not qualifying contributions. Therefore, a candidate who is participating in the Program, or who is intending to participate in the Program, may not accept in-kind contributions from any source.

Important Note: It is important to distinguish in-kind contributions (which are impermissible for participating candidate's candidate committees) from expenditures made by the candidate, committee worker, or volunteer for which reimbursement is sought (which are permissible). If authorized by the campaign treasurer, committee workers may purchase items for the campaign using their own funds and provide documentation of the purchase (such as a cash register receipt) to the treasurer. To avoid such purchases becoming impermissible in-kind contributions to the committee, the campaign should reimburse the worker for the expenditures within a reasonable time. The Commission has previously concluded that reimbursement within 45 days of the purchase date is a reasonable amount of time.

To avoid accepting in-kind contributions from other committees, a participating candidate's committee may also make reimbursements to certain types of committees, for joint expenditures. For more information on joint expenditures, see **Chapter VI. Campaign Expenditures**.

Important Note: Participating candidates cannot receive in-kind contributions of any type from any source. However, party committees, legislative caucus committees, and legislative leadership committees may make *organization expenditures* to benefit participating candidates and their committees which do not constitute contributions and therefore do not need to be reimbursed. See **Chapter VII. Expenditures by Outside Sources** for more information on organization expenditures.

[General Statutes §§ 9-601a(b)(4) and (16), 9-702; Regs., Conn. State Agencies § 9-706-2(b)(8); Declaratory Ruling 2007-03]

b. Portions of Contributions Over the Aggregate Limit

As previously mentioned, individuals may only contribute up to $100 in the aggregate as a qualifying contribution to a statewide office candidate and only up to $250 in the aggregate as a qualifying contribution to a General Assembly candidate. A contribution over these respective amounts in the aggregate is thus non-qualifying. Therefore, treasurers must return to the contributor any portion of a contribution or contributions that exceeds the limit in the aggregate.

[General Statutes §§ 9-704, 9-706(b)(4)]

Example: John Doe, who contributed $25 in cash at a participating General Assembly candidate committee's first fundraising event and a $200 check at the second event, attends the committee's third event and donates $50 by check.

After depositing all funds received at the third fundraiser, the treasurer realizes that John Doe has made contributions greater than $250 in the aggregate ($25 + $200 + $50 = $275). Consequently, the treasurer must refund the $25 non-qualifying portion to John Doe in order for his contributions to count as qualifying. Both the deposit and refund of the non-qualifying portion must be disclosed on the committee's financial disclosure statement (SEEC Form 30) in Sections B and N, respectively. See **Documentation for Qualifying Contributions**, later in this Chapter, for more information.

c. Contributions from Party Committees and Political Committees

Participating candidates may only receive qualifying contributions from individuals (human beings and sole proprietorships), *and cannot receive contributions from any other source*. Accordingly, participating candidates may not receive contributions from party committees (i.e. state central and town committees), political committees, or legislative caucus and legislative leadership committees.

[General Statutes § 9-704(a)(1)-(4) and (e); Declaratory Ruling 2007-03]

Important Note: Participating candidates can, however, receive ***organization expenditures*** from party committees and, in the case of General Assembly candidate committees, from legislative caucus and legislative leadership committees as well. For more information on organization expenditures, see **Chapter VII. Expenditures by Outside Sources**.

d. Contributions Lacking Adequate Documentation

All contributions lacking proper backup documentation do *not* meet the criteria for qualifying contributions. Please see the section below on Backup Documentation for more information.

e. The Candidate

A participating candidate cannot make a qualifying contribution to his or her own campaign. Any such payment by the candidate is deemed to be personal funds and may not be refunded. Family members of the candidate may make qualifying contributions, unless the candidate or the family member is a principal of a current or prospective state contractor. Also, family members who are communicator lobbyists may now make qualifying contributions, but are subject to the sessional ban, and consequently may not make qualifying contributions, or attend committee fundraisers or otherwise solicit, during the legislative session. See below for more information on contractors.

2. Prohibited Sources

The following contributions are from *prohibited* sources and are, consequently, non-qualifying.

a. Business Entities and Unions

Candidate committees may not accept contributions from business entities including contributions from an individual using a business checking account (although the law does allow qualifying contributions to be made by sole proprietorships), or from unions, nonprofit organizations, clubs, or neighborhood groups.

Important Note: Because business entity contributions are illegal, a candidate committee must be sure to establish that a contributor is a sole proprietorship rather than a business entity prior to accepting a qualifying contribution where the check is not written from a personal checking account. Accordingly, it is strongly suggested that the committee use the Commission's sample certification forms which ask the contributor for this information.

[General Statutes §§ 9-602(a), 9-613(a), 9-614(a); Declaratory Ruling 2007-03]

b. Lobbyists in any Amount During the Legislative Session and in Excess of $100 at any Time

During any regular session of the General Assembly, during any special session of the General Assembly held between the adjournment of the regular session in an odd-numbered year and the convening of the regular session in the following even-numbered year, and during any reconvened session of the General Assembly held in an odd-numbered year to reconsider vetoed bills, candidates for statewide office or General Assembly may **not** receive contributions of ***any amount*** from lobbyists, including communicator lobbyists.

A lobbyist is generally defined as a person who, in lobbying and in furtherance of lobbying, makes or agrees to make expenditures, or receives or agrees to receive compensation, reimbursement, or both, and such compensation, reimbursement or expenditures are $3,000 or more in any calendar year or the combined amount thereof is $3,000 or more in any such calendar year. A client lobbyist is a lobbyist on behalf of whom lobbying takes place and who makes expenditures for lobbying and in furtherance of lobbying. A communicator lobbyist is a lobbyist who communicates directly or solicits others to communicate with an official or his staff in the legislative or executive branch of government or in a quasi-public agency for the purpose of influencing legislative or administrative action.

In addition, communicator lobbyists and their immediate family members may not contribute in excess of $100 to statewide office and General Assembly candidates at any time. General Assembly campaigns raising qualifying contributions over $100 should be mindful of this restriction.

[General Statutes §§ 1-91 (12), (21) and (22), 9-610(e), 9-704 (a) (as amended by P.A. 17-2 (June Special Session))]

c. Principals of Current and Prospective State Contractors

Contributions from an individual who is *a principal* of a state contractor or prospective state contractor (including the spouse and dependent children over the age of eighteen), made to any participating candidate, are prohibited.

The ***principals of a business entity*** that is a state contractor or prospective state contractor are as follows:

1. Members of the board of directors;
2. Individuals with ownership interest of 5% or more in the business;
3. A president, treasurer, or executive vice president of the business;
4. Employees with managerial or discretionary responsibilities with respect to the negotiation of the state contract (i.e. those having direct, extensive and substantive responsibilities, rather than peripheral, clerical or ministerial responsibilities, with respect to the negotiation of the state contract);
5. The spouse and dependent children over the age of eighteen of an individual described above; and
6. A political committee established by or on behalf of an individual described above.

The ***principals of a non-business entity*** that is a state contractor or prospective state contractor are as follows:

1. The chief executive officer, or if there is no CEO, then the officer who possesses comparable powers and duties;
2. Employees who have managerial or discretionary responsibilities with respect to the negotiation of the state contract (i.e. those having direct, extensive and substantive responsibilities, rather than peripheral, clerical or ministerial responsibilities, with respect to the negotiation of the state contract);
3. The spouse and dependent children over the age of eighteen of an individual described above; and
4. A political committee established by or on behalf of an individual described above.

A participating candidate cannot receive qualifying contributions from *principals of state contractors that have contracts with either the legislative or executive branches of state government.*

Important Note: The state contractor contribution provisions for participating candidates in Chapter 157 differ from the branch-specific prohibition on contractor contributions as set forth in General Statutes § 9-612(f)(2). For contributions to nonparticipating candidate committees, the prohibition is branch-specific. For example, if the state contractor or prospective state contractor has a contract solely with the executive branch, a principal of that contractor ***could contribute*** to a *nonparticipating* General Assembly candidate, but ***could not contribute*** to a General Assembly candidate participating in the Program because contributions from principals of state contractors, regardless of branch, are deemed non-qualifying.

It is important to note that the state contractor bans for participating and nonparticipating candidates alike do not include state contractors that have contracts solely with the *judicial branch*. There are no contribution provisions applicable to judicial branch contractors.

*Please see the Commission's website for lists of state contractors and prospective state contractors. These lists, however, are not exhaustive as there may be additional state contractors that are not listed. In other words, just because an entity is not on this list does not mean that the entity is not a state contractor or prospective state contractor. We therefore strongly recommend that committees obtain contributor certification forms for **all** contributions.*

[General Statutes §§ 9-612(f)(1)and (2), 9-704(c)(1); Declaratory Ruling 2007-03]

Important Note: Treasurers are responsible for verifying that a contributor is not a principal of a current or prospective state contractor. See the glossary of this Guide and General Statutes § 9-612(f)(1) for the specific definitions of these terms. The sample certification forms provided by the Commission are designed to assist with this duty and it is strongly recommended that committees use them. A treasurer can best protect him or herself by having each contributor complete and sign a contributor certification form for every contribution regardless of the amount, which certifies to the contributor's status as a principal of a current or prospective state contractor. A treasurer is entitled to rely on such certifications and it will provide the treasurer with a good faith reliance defense should the contributor later be deemed to be a principal of a state contractor or prospective state contractor.

d. Investment Services Contribution and Solicitation Provisions

Individuals who are principals of an investment services firm, political committees formed by a firm which provides investment services to the State Treasurer and political committees formed by principals of such firms, and to which firm the State Treasurer pays compensation, expenses, fees or issues a contract, are barred from soliciting or making any contribution to any candidate or exploratory committee for nomination or election to the office of State Treasurer during the term of the State Treasurer who does business with such firm.

The provisions apply to the incumbent State Treasurer and all challengers, and to an exploratory committee of any candidate who is considering a campaign for nomination or election as State Treasurer.

Also, no member of the Investment Advisory Council (appointed under General Statutes § 3-13b) shall make a contribution to or solicit contributions on behalf of an exploratory or candidate committee established by a candidate for State Treasurer.

Finally, the following individuals are prohibited from soliciting contributions from a principal of an investment services firm on behalf of an exploratory or candidate committee established for any public office: the State Treasurer or any candidate for State Treasurer, any agent of any such candidate, the Deputy State Treasurer, any member of the State Investment Advisory Council, and any unclassified employee in the office of the State Treasurer acting at the direction of the State Treasurer or Deputy State Treasurer.

"Investment Services" means investment legal services, investment banking services, investment advisory services, underwriting services, financial advisory services or brokerage firm services.

[General Statutes §§ 9-612(e), 9-613(f)]

e. Retirement Security Authority Contribution and Solicitation Provisions

No member of the Connecticut Retirement Security Authority board of directors, except the State Comptroller or State Treasurer, or any executive director, assistant executive director or authorized officer appointed by said board or the principal of an entity with a contract with the authority to administer the Connecticut Retirement Security Program, shall make a contribution to, or knowingly solicit contributions from the board's or the executive director's or assistant executive director's employees on behalf of an exploratory committee or candidate committee established by a candidate for nomination or election to statewide office or General Assembly.

[General Statutes § 31-249 (as amended by P.A. 16-29)]

f. Anonymous Donations

Candidate committees cannot accept or deposit anonymous contributions. Treasurers must immediately remit all anonymous contributions, regardless of amount and in the form received, to the State Elections Enforcement Commission, 20 Trinity Street, Hartford, CT 06106, for deposit into the State's General Fund.

[General Statutes §§ 9-606(b), 9-704(c)(2), 9-706(b)(4)]

g. Foreign Nationals

Federal law prohibits foreign nationals from making campaign contributions related to state elections. Permanent resident aliens who are legally in the United States – foreign nationals with "Green Cards" – may contribute to Connecticut state political campaigns.

[2 U.S.C. § 441e; 52 U.S.C. § 30121]

h. Contributions from Minors Under the Age of 12 or Over $30

A contribution made by a youth who is less than twelve years of age is not a qualifying contribution. In addition, a minor at least twelve years old but under the age of

eighteen may not give contributions in excess of $30 in the aggregate to a statewide office or General Assembly candidate. Because of this limitation, we strongly urge treasurers to obtain a contribution certification card from every contributor.

[General Statutes §§ 9-611(e), 9-704(c)(4)]

F. Documentation for Qualifying Contributions

All qualifying contributions must be carefully documented so that the Commission can review candidates' grant applications to determine whether reported qualifying contributions are from permissible sources and do not exceed permissible amounts. The candidate and campaign treasurer must demonstrate that all reported qualifying contributions have the proper documentation and meet the criteria for qualifying contributions. Qualifying contributions must also be itemized and adequately disclosed on campaign finance disclosure statements (SEEC Form 30).

For information on how to properly document qualifying contributions, please proceed to Chapter VIII. Treasurer's Responsibilities and Recordkeeping.

Failure to maintain and/or provide these records will lead to a determination that any such undocumented contributions do not meet the criteria for qualifying contributions. The treasurer should scrutinize all contributions received before depositing in the committee's bank account. Carefully reviewing all contributions prior to depositing them will help avoid penalties for accepting prohibited contributions.

[General Statutes §§ 9-606(a), 9-607(f), 9-704(c)(2), 9-706(b); Declaratory Ruling 2007-03]

REMEMBER!

Qualifying contributions have five significant parts. An easy way to remember is **I-FIND**. Qualifying contributions must be from:

- **I**ndividuals only;
- **F**ive to one hundred / two hundred fifty dollars, as applicable, in amount from a single contributor;
- "**I**n-district" or in-state to the required threshold for the office sought;
- **N**ot from individuals who are prohibited sources (such as a principal of state contractor) or otherwise non-qualifying; and
- **D**ocumented and disclosed.

G. Raising Additional Qualifying Contributions

Once qualified for a grant, a participating candidate may raise no additional money and must use only the grant money provided through the Program, plus any remaining qualifying contributions and unspent personal funds provided by the candidate before applying for the grant.

There is one exception to this rule. Minor party or petitioning candidates who qualify for a partial grant in the amount of 1/3 or 2/3 of the applicable full grant amount for that office may continue to raise small-dollar contributions from individuals (differential contributions). These candidates may raise additional contributions that meet the

criteria for qualifying contributions, subject to Program guidelines, up to the full grant amount for the particular covered office.

[General Statutes §§ 9-702(c), 9-704(d), 9-706(b)(4), 9-707]

Important Note: The Secretary of the State will provide to any participating candidate an electronic copy of the voter registration list for his or her applicable district, free of charge. *See* General Statutes § 9-715. You may contact the Secretary of the State's Legislation and Elections Administration Division at 860-509-6100.

H. Raising Qualifying Contributions in Exploratory Committee

Candidates may begin collecting qualifying contributions during the exploratory committee stage. A candidate who has an exploratory committee is permitted to accept a contribution of $375 from an individual if the candidate certifies on the exploratory committee's registration statement that he will not be a candidate for state representative or $250 from an individual if the candidate does not so certify (an exploratory committee may also accept contributions from party committees and political committees within certain limits).

However, a contribution accepted in an exploratory committee will only qualify as a qualifying contribution if it is from an individual who has not contributed more than $100 (statewide office campaigns) / $250 (General Assembly campaigns) (in the aggregate) to the exploratory committee.

A candidate in exploratory committee who raises contributions in excess of $100/$250 from an individual contributor has two options:

1. The candidate's exploratory committee can keep and spend the entire contribution – but since it exceeds $100/$250, it does not count as a qualifying contribution and does not count toward the qualifying threshold. However, that same contributor may subsequently make a qualifying contribution to the candidate committee; ***or***
2. If the exploratory committee wishes to count the contribution as a qualifying contribution, the committee must refund the portion of the contribution in excess of $100/$250 to the contributor *before* the event that triggers the requirement to dissolve the exploratory committee.

Candidates who intend to participate and wish to use contributions raised in their exploratory committee as qualifying contributions are encouraged to dissolve their exploratory committee and form a candidate committee well in advance of submitting a grant application. To facilitate a smooth transition from exploratory committee to candidate committee, including transferring the correct funds and curing disqualifying contributions, treasurers of exploratory committees are strongly encouraged to work closely with the assigned Elections Officer throughout the process. For more information on transferring qualifying contributions as surplus to the candidate committee, see **Chapter X. Termination of the Committee**.

[General Statutes §§ 9-608(f), 9-704(a)(1)-(4); Declaratory Ruling 2007-02]

I. Solicitors

1. Solicitors Generally

The only individuals who may receive contributions and donations on behalf of a candidate committee are the treasurer, deputy treasurer, and *solicitors*. A solicitor is any individual who is appointed by the campaign treasurer to receive funds or resources on behalf of the committee. Receiving funds is different than merely asking that donations be given to a committee. One who merely asks for donations to be transmitted to a committee, but who does not actually receive the contributions, is *not* a solicitor.

Candidates, their treasurers and deputy treasurers, as well as volunteers and campaign workers, may personally solicit funds for the campaign. Treasurers and deputy treasurers do not need to be appointed as solicitors in order to receive funds. Treasurers, however, do need to appoint the candidate and any campaign workers or volunteers who will be receiving funds on behalf of the campaign as official solicitors. The treasurer may appoint as many solicitors as needed, but must be diligent about training and overseeing all solicitors.

The treasurer is responsible for receiving the funds from the solicitor, reviewing the contributions to ensure compliance and approving them for deposit. The treasurer is also required to keep records (which should include copies for both the committee and for the Commission) of each solicitor appointment, including an accurate list of the name and address of each individual who is appointed to serve as a solicitor and the terms of appointment.

Each solicitor must submit to the treasurer a list of the contributor information (names, addresses, and all other required information) of all persons from whom or from which the solicitor collected monetary and/or non-monetary receipts on behalf of the committee. The solicitor must provide the list to the treasurer no later than one day prior to any campaign finance disclosure reporting deadline. The treasurer must ensure that each solicitor turns over this list to the treasurer, as well as all contributions and documentation received, in a timely manner.

The treasurer is also responsible for training and overseeing solicitors to make sure they are complying with the law.

The following rules apply to solicitors:

- Solicitors must be appointed by the committee treasurer;
- Solicitors may receive monetary contributions on behalf of the committee, but must give them to the treasurer for review) and may never spend or authorize anyone else to spend such contributions;
- Solicitors must deliver all contributions, in the form received, to the campaign treasurer within seven days of receipt; and
- Solicitors must collect contribution certification documentation for qualifying contributions they receive and must provide the documentation to the treasurer when delivering the contributions; otherwise, these contributions will not be considered qualifying contributions.

Important Note: Together with the contributions and related documentation, solicitors must submit to the treasurer a list of the names and addresses of all persons whose contributions were received. The treasurer must oversee the committee's solicitors and must make sure he receives a list from each solicitor before each filing disclosure deadline.

[General Statutes §§ 9-601(14), 9-602 (a)-(b), 9-606(a) and (c), 9-622(11)]

2. Limitations on Who May Solicit Contributions

Although there are no limitations on the number of solicitors that the treasurer may appoint, certain individuals are prohibited or restricted from serving as solicitors for statewide office and General Assembly campaigns.

- *State department heads and deputy department heads* may not act as solicitors for any candidate or political party.
- As for *principals of state contractors and prospective state contractors*, Public Act 10-1 narrowed the solicitation restrictions imposed on them. *Principals of state contractors and prospective state contractors*, including their spouses and dependent children over the age of eighteen, with respect to a contract with the *legislative* branch may not solicit contributions for a General Assembly candidate or exploratory committee from the state contractor's or prospective state contractor's employees or from a subcontractor or principals of the subcontractor. Principals of state contractors and prospective state contractors, including their spouses and dependent children over the age of eighteen, with respect to a contract with the *executive* branch may not solicit contributions for a statewide office candidate or exploratory committee from the state contractor's or prospective state contractor's employees or from a subcontractor or principals of the subcontractor.
- Public Act 10-1 also changed the ability of *communicator lobbyists* to solicit for statewide office and General Assembly candidates:
  - Communicator lobbyists, members of their immediate families, or their agents are prohibited from bundling contributions on behalf of a statewide office candidate's or General Assembly candidate's exploratory or candidate committee. "Bundle" is defined as the forwarding of five or more contributions to a single committee by a communicator lobbyist, an agent of the lobbyist, or an immediate family member of a lobbyist or raising contributions for such a committee at a fundraising affair held, hosted or sponsored by such lobbyist, lobbyist's agent or immediate family member. ***This means that a communicator lobbyist may not host a fundraiser for a statewide office or General Assembly candidate.***
  - Communicator lobbyists, their immediate family members, or their agents may not solicit contributions for candidates for statewide office or General Assembly (whether in exploratory or candidate committee) from individuals who serve on the board of directors of, are partners of, are employed by, or have a 5% or more ownership interest in any client lobbyist they represent.
  - There is also a *sessional lobbyist contribution and solicitation ban* that applies to both client and communicator lobbyists and their political committees

during legislative session. This applies during any regular legislative session, or during special sessions or vote-override sessions in odd-numbered years. During those designated times, no lobbyist may contribute to or solicit on behalf of any legislator or state officer's candidate or exploratory committee, a political committee for a particular legislative district or a political committee established or controlled by a state officer or legislator.

- *Municipal employees* are prohibited from soliciting funds for the benefit of any candidate from an individual under the supervision of such employee or their spouse or dependent children.
- In addition, there are certain limitations on solicitations by *chiefs of staff*. A chief of staff of a legislative caucus may not solicit contributions from an employee of the legislative caucus; a chief of staff for a statewide elected official may not solicit contributions from a member of such official's staff; and a chief of staff of the Governor or Lieutenant Governor may not solicit contributions from a member of the Governor or Lieutenant Governor's staff or from any commissioner or deputy commissioner of any state agency.
- *Principals of investment services firms and members of the Investment Advisory Council* may not solicit contributions on behalf of an exploratory or candidate committee established by a candidate running or considering a run for State Treasurer. Moreover, the following individuals are prohibited from soliciting contributions from a principal of an investment services firm on behalf of an exploratory or candidate committee established for any public office: the State Treasurer or any candidate for State Treasurer, any agent of any such candidate, the Deputy State Treasurer, any member of the State Investment Advisory Council, and any unclassified employee in the office of the State Treasurer acting on behalf of the State Treasurer or Deputy State Treasurer.
- Finally, no member of the *Connecticut Retirement Security Authority* board of directors, except the State Comptroller or State Treasurer, or any executive director, assistant executive director or authorized officer appointed by said board or the principal of an entity with a contract with the authority to administer the Connecticut Retirement Security Program, shall knowingly solicit contributions from the board's or the executive director's or assistant executive director's employees on behalf of an exploratory committee or candidate committee established by a candidate for nomination or election to statewide office or General Assembly.

[General Statutes §§ 9-601(14), 9-610(h) and (i), 9-612(e), 9-612(f), 9-622(11)-(12) & (14)-(16), 31-249 (as amended by P.A. 16-29)]

J. Fundraising in the Program

As previously discussed, qualifying contributions are small-dollar donations given by individuals in order to show a level of *public support* for the participating candidate. Since qualifying contributions are intended to show a significant level of public support for the candidate seeking public funds, participating candidate fundraising includes some restrictions not found in the private campaign financing system.

The participating candidate's fundraising tools should not include offering valuable gifts as a *quid pro quo* for qualifying contributions. When a participating candidate sells or exchanges valuable items to raise contributions, the contributions may not clearly demonstrate support for a particular candidate. Accordingly, participating campaigns may not hold auctions, tag sales or raffles to raise qualifying contributions.

Traditional fundraisers which include serving food remain generally permissible. For example, participating candidates may continue to hold spaghetti dinners or ice cream socials as part of their fundraising. Additionally, participating candidates may give away traditional campaign paraphernalia such as bumper stickers, t-shirts, hats, buttons, or other similar items.

Example of Improper Fundraiser: A participating candidate for statewide office plans a fundraiser at a major league baseball game. Guests make a $100 qualifying contribution, and in return receive a bus ride to the stadium, a ticket to the game, and a lemonade and hot sausage. Normally, this would cost in excess of $100. Even if each person attending completes a Qualifying Contribution Certification Form, the attendees have received something of significant value in return for making a contribution and the donative intent necessary to demonstrate public support through a qualifying contribution is not present.

Example of Permissible Fundraiser: A participating statewide office candidate plans an ice cream social in her district as a fundraising event. The candidate will speak at the event, which is open to the public. Each adult entering the event is asked to make a contribution of between $5 and $100 to support the candidate. Committee volunteers ensure that each contributor completes and signs a Qualifying Contribution Certification Form.

Participating candidates are encouraged to discuss any fundraising questions with their assigned Elections Officer.

K. Joint Fundraising

A participating candidate may engage in a joint fundraising event, to raise qualifying contributions, with other candidate committees as well as with town committees.

Each committee must agree to pay—and must actually pay—its proportional share of the cost of the joint fundraising event. Each committee must agree to and document the terms of the joint fundraising event and all related expenditures before making or committing to make any expenditures for any joint fundraising event.

Each participating candidate partaking in a joint fundraising event must make sure that each individual contributor is knowingly and voluntarily making a qualifying contribution to demonstrate support of the recipient candidate. This is because participating candidates are required to raise qualifying contributions to demonstrate that they have substantial support from the people they seek to represent. Each qualifying contribution represents a show of support from the contributor to the participating candidate receiving the contribution.

Important Note: Each committee participating in a joint fundraiser must have its own treasurer, deputy treasurer or properly appointed solicitor(s) available to receive contributions to that committee. If a single individual wishes to contribute to more than one committee at the joint fundraiser, the contributor must write a separate check to each committee and complete a separate contribution certification form for each contribution.

Committees of participating candidates sponsoring a joint fundraising event should do so cautiously, carefully documenting all contributions and expenditures relating to the joint fundraising event. Failure to document the agreement and all contributions and expenditures relating to the fundraiser may result in a violation of the Program's requirements. Be sure to include documentation for any underlying bills, such as individual vendor invoices—do not rely on blanket documentation for repayments to the other committee.

The Commission strongly recommends that each sponsoring committee pay vendors directly for expenditures associated with a joint fundraising event. Joining with other committees complicates accounting in terms of Program expenditure limits and documentation of qualifying contributions.

Important Note: A candidate committee that received a grant is permitted to deposit money from another *candidate* committee for a reimbursement for shared expenses for which only the committee being paid or reimbursed is under a contractual obligation to pay. Short of this exception, a candidate committee that has received a grant may not deposit monies from a candidate committee for any other reason or from any other type of committee, including a town committee. In addition, a candidate committee that makes an expenditure to benefit another candidate or committee must be reimbursed by the benefiting candidate or committee within a reasonable time to avoid making a prohibited contribution.

Please note that committees may not act as vendors to other committees or persons. Any reimbursements made to a committee must be for shared expenses, and each committee treasurer must maintain contemporaneous documents to demonstrate that there was an agreement that the committees would share such expenses.

The rules on joint fundraising differ for participating candidates and nonparticipating candidates. Two or more candidate committees of *nonparticipating* candidates may form a political committee for a single fundraising affair. However, candidate committees of *participating candidates may not* form a political committee to raise funds.

[General Statutes § 9-707; Regs., Conn. State Agencies § 9-706-2(b)(8); Declaratory Ruling 2011-03]

L. Volunteers, Travel, House Parties, and Facility Space

The committees of participating candidates may accept the following goods and services to facilitate the fundraising process:

- ***Volunteer services*** from individuals (including the candidate) donating their time. An individual is considered a volunteer if he or she is not receiving compensation

for the services provided, regardless of whether the individual received compensation in the past or will receive compensation in the future.

- Unreimbursed payments by an individual of his or her own ***travel expenses*** while volunteering services to the campaign.
- "***House parties***." There is a special provision relating to expenses of a fundraising affair or gathering held for a candidate or committee by an individual or individuals in their home. Generally, under the "house party exemption" to the definition of "contribution" and "expenditure," an individual or individuals may pay the costs of invitations, food, and beverages, subject to the dollar limits described below, so long as the house party is held at one of the individual host's residential premises, or a community room at such individual's residence facility. In order for such an event to qualify under the "house party exemption," the following requirements apply:
    - The cumulative value for **any single event** hosted by an individual on behalf of any candidate or committee does not exceed $400 (this means that if a single individual is hosting a house party at his residence, he is limited to spending $400 on the event);
    - The **aggregate**, cumulative value of the invitations, food, or beverages provided by an individual for **several events** hosted by that individual on behalf of any one candidate or committee does not exceed $800 in total with respect to a single election (this means that an individual can host multiple events – spending no more than $400 at each event – under the house party exception as long as the total cost he spends across all of the events is no more than $800);
    - The cumulative value for any single event hosted by **two or more individuals** on behalf of any candidate does not exceed $800, provided at least one of the hosting individuals owns or resides at the residential premises (note that each host can spend no more than $400 individually on the event, as previously mentioned).
    - These costs under the house party exemption and within the applicable house party exemption limits are in-kind receipts that are not counted against such individual's contribution limit, but must be disclosed in Section J4, "In-Kind Donations Not Considered Contributions Associated with a House Party," of SEEC 30.

      Important Note: Because a participating candidate is subject to personal funds limits, ***any amounts spent on such a house party by the candidate before receiving a grant count towards the personal funds limit.*** In addition, once a participating candidate's committee receives grant funds, the candidate cannot provide personal funds. Practically speaking, this means that a participating candidate cannot provide personal funds (i.e. pay for invitations, food, or beverages without seeking reimbursement) for a house party after receiving a grant.

    - Note that in order for the event to qualify for the "house party" exemption, the entire cost of the event (invitations, food, beverages, etc.)

should not exceed the $400/$800 amount. Thus, the campaign cannot plan to hold a far more expensive event and merely pay for any amount that exceeds the house party limit (aside from the invitations). In other words, the $400/$800 amount is not an offset for a more expensive party. There is one exception – the candidate or committee may pay for a portion or all of the costs of the invitations for the house party. In such a case, the amount paid by the candidate or committee is not counted toward the calculation of the cumulative value of the party provided by the host(s) for purposes of determining whether the event falls within the house party exemption.

- The home owner or resident does not have the option of paying for an event that exceeds the house party limits, because then the entire value of the event (not just the amount over the $400/$800 house party exemption limit) is deemed an impermissible in-kind contribution, and CEP candidates cannot accept in-kind contributions. In this instance, the participating candidate committee would have to reimburse the host(s) for the entire cost of the event and disclose the reimbursement in Sections N and R in SEEC 30.
- Alternatively, the home owner or resident can provide his or her residence free of charge and the campaign can pay for all costs associated with the event.

- **The use of a business entity or organization's *facility space*** at a discount or for free, *provided the business entity or organization*:
  - Customarily makes the space available to civic and community groups;
  - Makes the space available to any other candidate or committee upon request; and
  - Makes the space available on the same terms given to other groups.
- The ***use of offices and equipment provided by a party committee, legislative leadership committee, or legislative caucus committee*** – please note that party committees may provide such offices and equipment to both statewide and General Assembly candidates whereas legislative leadership committees and legislative caucus committees may only provide use of such offices and equipment to General Assembly candidates;
- The ***sale of food or beverage by a vendor at a discount***, as long as the charge is not less than the cost to the vendor and the cumulative value of the discount does not exceed $400 with respect to any single primary or election;
- The ***donation of food or beverage*** by an individual for consumption at a committee meeting, event, or activity that is **NOT** a fundraising affair if the cumulative value of the food or beverage donated by the individual for a single meeting or non-fundraising event does not exceed $50;
- The value associated with certain ***de minimis activity*** made on behalf of the committee, including:

- The creation of electronic or written communications on a voluntary (unpaid) basis by an individual without compensation, including the creation and ongoing content development and delivery of social media on the Internet or telephone.

> **Important Note**: Although not considered contributions, costs associated with communications that fall under this provision remain expenditures requiring attributions if otherwise needed. For example, if a committee volunteer sends out a fundraising invitation by email, the committee's attribution should be included. For more information on the proper attribution, please see **Chapter VI**.

- The posting or display of candidates' names by a *party committee* at a town fair, county fair, local festival or similar mass gathering; and
- The use of an individual's personal property or a service that is customarily attendant to the occupancy of a residential dwelling or the donation of an item or items of personal property by an individual that are customarily used for campaign purposes, provided the cumulative fair market value of such use of personal property, service, or items of personal property does not exceed $100 in the aggregate for any single election.

The provision of these goods and services is not considered to be an in-kind contribution.

> **Important Note**: The prohibition against in-kind contributions does not include the provision of volunteer time and services by individuals or the use of personal electronics by such volunteers. Volunteers, treasurers and candidates are permitted to use their own electronic devices they already own, such as computers and cell phones. This use is not considered to be an in-kind contribution, nor does it need to be reimbursed. Otherwise, the Commission recommends payment for all goods not described above. Please call your Elections Officer with any questions.

[General Statutes §§ 9-601a(b)(4), 9-601a(b)(5), 9-601a(b)(7), 9-601a(b)(17), 9-601a(b)(18) and (19); Advisory Opinion 2010-02]

M. Qualifying Contributions from a Joint Checking Account

Under Connecticut law, a contribution by personal check is attributed to the signer of the check. However, a single account holder of a joint checking account may sign a contribution check if the contribution is accompanied by signed written statements from the holders of the joint bank account indicating how the contribution should be allocated. The contributor may indicate such allocation on a contribution certification form. ***Note that each contributor should submit a separate certification form to clearly indicate the contributor's intent.*** If both joint account holders sign a single contribution check, half of the amount of the contribution is attributed to each, unless the contribution is accompanied by a separate certification form from each holder indicating how the contribution should be differently allocated.

Example: John and Sue Brown wish to each give a contribution using one check from their joint checking account and desire an allocation other than 50/50. One or both of them may sign the check and each must sign their own contribution certification form indicating their contributor status as well as how they would like the contribution allocated.

See **Chapter VIII. Treasurer's Responsibilities and Recordkeeping**, for information on disclosing contributions in Section B of SEEC Form 30.

[General Statutes § 9-606(b)]

N. Spending Qualifying Contributions

The candidate committee of a candidate who is participating in the Program may spend any or all of its qualifying contributions from the first dollar raised, up to the threshold amount for that office: $250,000 for a candidate for Governor, $75,000 for a candidate for Lieutenant Governor, $76,600 for a candidate for any other statewide office, $15,300 for a candidate for State Senate or $5,100 for a candidate for State Representative.

As noted above, **buffer** qualifying contributions raised in the candidate committee *cannot be spent* but must be transmitted to the Citizens' Election Fund at the time of application.

[General Statutes § 9-702(c) (as amended by P.A. 17-2 (June Special Session))]

IV. APPLYING FOR GRANTS

No participating candidate is automatically entitled to receive public funds. The Commission mandates strict compliance with Program requirements. With this in mind, the Commission staff will assist participating candidates and treasurers through the application process and maintain open communication with campaigns that are applying for public funds. The Commission staff will work with campaigns to remedy curable mistakes that may have been made during the application process.

[General Statutes § 9-702(a)]

Important Note: The Commission recommends that the committee:

1. Contact its assigned Elections Officer at least a week or two before submitting a grant application;
2. Review the Grant Application Checklist at the end of this chapter; and
3. Remain aware of application deadlines.

A committee that applies at the very last deadline (July 20, 2018 for a primary campaign and October 12, 2018 for a general election campaign) *may not have time to make corrections and may not be able to qualify for a grant.*

A. Ballot Requirement

To be eligible to receive public funds, the participating candidate must have already qualified to appear on the ballot for the primary, special election and/or general election for which he or she seeks public funds. The Office of the Secretary of the State in Connecticut administers the ballot qualification process. You may contact the Secretary of the State's Office at 860-509-6100 (or toll-free at 800-540-3764).

[General Statutes §§ 9-388, 9-452, 9-453]

B. Completing a Grant Application

The grant application package contains at least five parts:

1. A completed and signed grant application form (SEEC Form CEP 15);
2. A completed and signed campaign finance disclosure statement (SEEC Form 30) that itemizes all financial activity since the last filed disclosure statement, complete as of not more than three days preceding the day the application is filed;

   Important Note: All monies included in a grant application must be collected by midnight of the day before the SEEC Form 30 is submitted.

3. Copies of documentation of qualifying contributions (Qualifying Contribution Certification Forms or other required documentation);

4. If online contributions were collected, merchant account processor ("MAP") letters, transactional receipts and excel spreadsheets, and any other documentation pertaining to the contributions; and

   A committee check made out to "Citizens' Election Fund" or "CEF" for the amount of any excess qualifying contributions (i.e., the "buffer").

If not already provided, SEEC Form 1 and 1A, SEEC Form CEP 10, and SEEC Form CEP 12 must also be submitted, as well as proof of ballot access, as discussed more fully below.

Important Note: At the time the grant application is filed, the treasurer must report in Section B of SEEC Form 30 *all* contributions received by the committee since the time of its last filing, even if they have not all been deposited. The treasurer must also report all expenses incurred or expenditures paid as of not more than three days preceding the day the application is filed. This should include the "buffer" check.

[General Statutes § 9-706(b) and (c)]

1. The Application Form (SEEC Form CEP 15)

The candidate and treasurer must complete and sign the grant application (SEEC Form CEP 15). The candidate and treasurer must swear to the truth of the application under penalty of false statement.

In the grant application, the candidate and treasurer must certify that the committee has:

- Raised documented qualifying contributions equal to or exceeding both parts of the required two-part threshold;
- Abided by the expenditure limits;
- Accepted no personal loans, but only bank loans in the limited aggregate amount of $1,000, and repaid all such bank loans;
- Received no more than the allowable amount of personal funds from the candidate;
- Returned all non-qualifying contributions or portions of contributions that exceed the $100/$250 limit per contributor; and
- Transmitted all excess qualifying contributions to the Citizens' Election Fund.

The candidate and treasurer must further certify that the committee will:

- Comply with all of the provisions of Chapters 155 and 157 of the Connecticut General Statutes and maintain and furnish all records required by the laws and regulations;
- Adhere to expenditure limits;
- Spend grant money only for permissible expenditures as prescribed in Commission regulations; and
- Return all unspent public grant money ("surplus") to the Citizens' Election Fund after the election.

The application process generally allows a candidate to elect a continuance so that if the Commission determines that the candidate's application is not sufficient, the Commission can continue the application without prejudice so that the candidate has the opportunity to fix curable flaws. If the candidate does not elect this option when completing SEEC Form CEP 15, then the insufficient application will be denied and he or she will have to reapply.

Public Act 13-180 added several written certifications to the grant application:

- First, the committee must certify that all outstanding civil penalties or forfeitures assessed pursuant to the campaign finance laws against the current or any former committee of the candidate have been paid, provided (A) in the case of a candidate running for statewide office, any such penalty or forfeiture was assessed not later than 24 months prior to the submission of the application; or (B) in the case of a candidate running for General Assembly, any such penalty or forfeiture was assessed not later than 12 months prior to the submission of the application.
- Second, the committee must certify that the treasurer has paid any civil penalties or forfeitures assessed against him under the campaign finance statutes and has not been convicted of or pled guilty or *nolo contendere* to: (A) any felony involving fraud, forgery, larceny, embezzlement or bribery; or (B) any criminal offense under the state election or campaign finance laws unless at least eight years have elapsed from the date of the conviction or plea or the completion of any sentence, whichever date is later, without a subsequent conviction of or plea to another such felony or offense.
- Finally, the committee must certify that the candidate has not been convicted of or pled guilty or *nolo contendere* to: (A) any criminal offense under the state election or campaign finance laws unless at least eight years have elapsed from the date of the conviction or plea or the completion of any sentence, whichever date is later, without a subsequent conviction of or plea to another such felony or offense; or (B) a felony related to the candidate's public office.

Important Note: When applying for a grant, please be sure you are using the most recent grant application form (SEEC Form CEP 15), as Public Act 13-180 has led to the addition of several new written certifications to the CEP grant application.

2. Ballot Qualification

In addition to the grant application, the candidate must submit to the Commission documentation demonstrating ballot qualification. For example, a candidate applying for a primary grant based upon a convention endorsement will need to provide to the Commission a date-stamped copy of the certificate of endorsement that was filed with the Secretary of the State on behalf of the party's endorsed candidate. (Secretary of the State's Form ED-634 *et al.*) The Commission staff will remain in regular communication with the staff of the Office of the Secretary of the State to determine a participating candidate's ballot status and eligibility. However, it is ultimately the candidate's responsibility to provide copies of these forms. *The Commission will not approve an application for a grant without proof of ballot qualification*.

[General Statutes §§ 9-388, 9-452, 9-453, 9-706(a)(2), 9-706(b), 9-706(c), 9-710(b)]

3. Cumulative Itemized Accounting—Initial Itemized Statement Accompanying Application for Public Grant (SEEC Form 30)

Each itemized accounting on SEEC Form 30 must disclose all funds received, expenditures made, and expenses incurred, but not yet paid, beginning with the first day not included in the committee's last filed itemized statement, and ending as of three days preceding the day the application is filed. If desired, the treasurer may report all financial activity as of two days or one day before the date of submission, provided that the entire day's activities (through 11:59 p.m.) of the final or cut-off day are reported. The treasurer must report on the SEEC Form 30 accompanying the grant application package every contribution the committee has received during the period covered by the report, *even if the contribution has not yet been deposited*. However, the treasurer cannot include activity from the same day that the SEEC Form 30 is submitted (since the period covered in the filing ends at 11:59 p.m. of the last date covered by the filing).

The treasurer must provide all required information on the SEEC Form 30, and itemize all contributions, regardless of amount, and complete every applicable box in Section B, "Itemized Contributions from Individuals" of the SEEC Form 30. **Section A may not be used to report any contributions.** The campaign treasurer must sign the form and swear to its truth under penalty of false statement; and if filing by eCRIS, may do so with an e-signature before electronically submitting the SEEC Form 30.

[General Statutes § 9-706(c)]

As previously discussed, a participating candidate may provide his or her current candidate committee with assets purchased by that candidate's candidate committee in a previous election cycle.

- *For most "prior assets" provided to the campaign prior to grant application, including banners, stationery, palm cards, thank you notes, domain names, and campaign paraphernalia bearing the candidate's name*, the campaign treasurer must report them and value them at their original purchase price in Section O of SEEC Form 30, and they will count toward the candidate's personal funds limit. The amount of the initial grant will then be reduced by the value of the candidate's personal funds used, including the value of those prior assets provided.
- *For lawn signs provided to the campaign prior to grant application*, the treasurer may also have to report them depending on the number of signs provided:
    - A participating candidate for statewide office who has control and custody of 500 or more lawn signs must report the signs and value them at a lump sum of $2,500 in Section O of SEEC Form 30, and the candidate's grant will be reduced by $2,500.
    - A participating state senate candidate who has control and custody over 100 or more lawn signs must report the signs and value them at $500 in Section O of SEEC Form 30, and his grant will be reduced by $500. For a participating state representative candidate seeking to reuse 50 or more lawn signs, he must report the signs and value them at $250 in Section O of SEEC Form 30, and his grant will be reduced by $250.

[General Statutes § 9-705(j)(5); Advisory Opinion 2008-02]

4. Documentation of All Qualifying Contributions

Important Note: The Commission requires qualifying contribution documentation in support of the application. See **Chapter VIII. Recordkeeping** and **Chapter XI. Compliance and Enforcement** for more information.

The campaign must submit copies of documentation to substantiate *each* qualifying contribution raised. Documentation may include photocopies or scanned copies of checks, signed qualifying contributor certification forms, online credit card contribution records, etc. ***Committees should keep originals of all documents submitted.*** Please see the **Chapter III. Raising Qualifying Contributions** and **Chapter VIII. Treasurer's Responsibilities and Recordkeeping** chapters of this Guide for more information, or review Treasurer's Best Practices Checklist: Documenting Qualifying Contributions at www.ct.gov/seec.

Important Note: ***Please do not photocopy cash.*** Cash contributions need only the contribution certification form as documentation and do not need a copy of the actual cash given.

[Declaratory Ruling 2007-03]

5. The "Buffer" Qualifying Contributions

At the time of grant application, the committee treasurer must issue a check to the Citizens' Election Fund for the amount of buffer qualifying contributions, if applicable. The amount of the check is the amount above the aggregate qualifying threshold that the committee raised as a "buffer" (described in detail in the **Qualifying Contributions** section of this Guide). Remember that the buffer check must be disclosed in the expenditures section on the SEEC Form 30.

Important Note: If a committee has issued any refunds to contributors, or if a contributor's check bounced, the amounts of these transactions should ***not*** be included in the buffer amount. ***It is strongly suggested that treasurers call their Elections Officer to discuss any questions about the buffer check prior to submitting a grant application.***

[General Statutes §§ 9-704(d), 9-706(b)(4)]

C. Initial Review of Disclosure Statement Before Submission with Grant Application

It is the treasurer's responsibility to review the SEEC Form 30 "Initial Itemized Statement accompanying Application for Public Grant" disclosure statement before submitting the grant application in order to ensure that all required information is included. Furthermore, if campaign finance disclosure statements are filed via eCRIS, it is strongly recommended that the treasurer utilize the "review filing" feature prior to electronically submitting the disclosure statement accompanying a grant application. "Review filing" allows a treasurer to double-check the disclosure statement and to make necessary changes prior to a final electronic submission. For more information on electronic campaign finance reporting, see the eCRIS pages of the Commission's website. ***It is***

strongly suggested that treasurers call their Elections Officer to discuss any questions about the disclosure statement prior to submitting a grant application.

D. Grant Determinations

After a grant application package is submitted, the committee treasurer should be available to respond to questions from the Commission's staff during the application review period. The Commission can approve or deny an application or continue its review without prejudice, upon the request of an applying candidate. Such actions can only be taken at a Commission meeting.

After approving an application, the Commission will determine the applicable grant amount and notify the candidate. The Commission will then use CORE-CT, the state electronic accounting system, to request that the grant be disbursed to the committee. The amounts of the grants are discussed in **Chapter V**.

A candidate committee that has been approved for a grant is known as a *qualified candidate committee*.

[General Statutes § 9-706(d)]

Important Note: The Commission has implemented an electronic funds transfer process to facilitate the disbursement of grant funds. The candidate is advised to submit SEEC Form CEP 12 (Electronic Funds Transfer Form) as early as possible to ensure a smooth and timely transfer of funds.

E. Continuance or Re-Application

If the Commission makes a determination to either continue without prejudice or deny a grant application, the committee's Elections Officer will notify the candidate committee about why the application was not approved. Candidates who find themselves in this position should not be discouraged since many of the issues may be cured (as long as they have applied before the final application deadline week). If the Commission continues an application or does not approve an application due to curable flaws, the candidate and treasurer should discuss correction and, if necessary, re-application with their assigned Elections Officer.

If a candidate whose grant application is rejected chooses *not* to re-apply, such a candidate must file with the Commission an affidavit certifying his or her withdrawal from the Program (SEEC Form CEP 13). However, the candidate must comply with all Program requirements, including expenditure limits, until the Commission reviews the withdrawal affidavit and deems the candidate to be a nonparticipating candidate.

F. No Deposits after Grant is Received

After the initial grant is deposited into the qualified candidate committee's depository account, the committee may *not* deposit any contribution, loan or personal funds.

There are three exceptions to this rule:

- A qualified candidate committee of a minor party or petitioning candidate that *did not receive a full general election grant* may continue to raise contributions meeting the criteria of qualifying contributions to make up the difference

between the grant received and the full grant amount, and may deposit those contributions in the candidate committee depository account, reporting them in Section B of SEEC Form 30. The contributions are called "Differential Contributions."

- A candidate committee that received a grant is permitted to deposit money from another candidate committee for a reimbursement for shared expenses for which only the committee being paid or reimbursed is under a contractual obligation to pay. Short of this exception, a candidate committee that has received a grant may not deposit monies from a candidate committee for any other reason or from any other type of committee, including town committees.
- Refunds, rebates, bank interest and returns of rental deposits may be deposited and must be disclosed. Interest generated from grants, however, must ultimately be remitted to the Citizens' Election Fund.

[General Statutes §§ 9-610(b), 9-702(c), 9-706(b)(4), 9-707]

Example: Petra is a participating petitioning candidate for state representative in the 30th District. She collected eligible signatures on nominating petitions equaling 15% of all votes cast for state representative, 30th District, in the prior state election. The Committee to Elect Petra raised the required amount of qualifying contributions, and otherwise followed all Program requirements before applying for a general election grant. Petra's committee received a grant from the Program that was two-thirds of the full grant amount. Committee to Elect Petra may raise additional documented contributions of no more than $250 in the aggregate from any individual contributor up to the full grant amount.

G. Deadlines for Receipt of Grant Applications

Beginning May 16, 2018, grant applications may be submitted and completed applications will be considered by the Commission on a weekly basis. All General Assembly applications submitted by five o'clock p.m. on a Wednesday thereafter will be considered within five business days of that application deadline, and all statewide office applications submitted by five o'clock on a Wednesday will be considered within ten business days of that application deadline. During the third week of June through the third week of July, additional Commission meetings may be scheduled to consider grant applications. **Note that the application deadlines are fixed deadlines.**

Example: If the Commission receives a General Assembly candidate committee's application for a primary grant on or before 5:00 p.m. on Wednesday, June 13, the application will be reviewed and the Commission will make its determination at the June 20 meeting. If the Commission receives a committee's application at **5:15 p.m**. on Wednesday, June 13, this application will be reviewed and the Commission will make its determination at the June 27 meeting. ***It is strongly suggested that treasurers work closely with their Elections Officer and submit grant applications as early as possible.***

Also, there are two special Friday application dates provided for the **final application deadline** for primary applications and for general election applications:

- Grant applications for the August 14, 2018 primary must be *received* by no later than 5:00 p.m. on Friday, July 20, 2018. Primary grant applications received after

this time will ***not*** be reviewed and the committee will ***not*** be eligible to receive a primary grant.

- Grant applications for the November 6, 2018 general election must be *received* by no later than 5:00 p.m., on Friday, October 12, 2018. General election grant applications received after this time will ***not*** be reviewed and the committee will ***not*** be eligible to receive a general election grant.

Committees that wait to apply on these final deadlines will not be permitted any continuances and are therefore strongly encouraged to apply early.

"Primary Blackout Period" for General Election Application Reviews: During the "primary blackout period" (beginning after 5:00 p.m. on July 11 and lasting through 5:00 p.m. on July 18) candidates not facing a primary may still submit applications for general election grants, but the applications will be deemed as received for the July 25 application deadline. The Commission therefore will not make a grant determination on such general election General Assembly applications until its August 1 meeting or on such general election statewide office applications until its August 8 meeting.

[General Statutes § 9-706(g)]

The grant application deadlines and Commission meeting dates appear below. The absolute final deadline to file a complete general election grant application is no later than 5:00 p.m. on Friday, October 12, 2018. The Commission must *receive* the committee's completed grant application by this final deadline. General election grant applications received after this time will not be reviewed.

In addition, general election grant applications received after 5:00 p.m. on Wednesday, October 10, 2018 (and before 5:00 p.m. on Friday, October 12, 2018), will not have the opportunity to be continued.

Important Note: Candidates are urged to submit their grant applications as early as possible, both in the election cycle and during the weekly cycle. **Candidates who apply on the last possible application date will have little, if any, time to cure any defects.** Further, candidates who apply at the last moment during the weekly cycle may not receive the results of their application review in time to cure any defects, causing the process to be extended for an additional week due to the application's continuance.

H. Statewide Office Application Deadlines & Commission Meeting Dates

Application Deadlines – By 5:00 p.m. on the following:	Commission Meeting Dates
Wednesday, May 16 for primary or general election	Thursday, May 31
Wednesday, May 23, for primary or general election	Thursday, June 7
Wednesday, May 30, for primary or general election	Wednesday, June 13
Wednesday, June 6, for primary or general election	Wednesday, June 20
Wednesday, June 13, for primary or general election	Wednesday, June 27
Wednesday, June 20, for primary or general election	Thursday, July 5
Wednesday, June 27 for primary or general election	Thursday, July 12
Thursday, July 5, for primary or general election	Thursday, July 19
Wednesday, July 11, for primary or general election	Wednesday, July 25
*Wednesday, July 18, for primary candidates only	Friday, July 27
*Friday, July 20, for primary candidates only **(FINAL application deadline for candidates in primary)**	Friday, July 27

Primary Grant Applications Will Not Be Accepted After July 20 at 5 p.m.

Wednesday, July 18, general election candidates	Wednesday, August 8
Wednesday, July 25, general election candidates	Wednesday, August 8
Wednesday, August 1, general election candidates	Wednesday, August 15
Wednesday, August 8, general election candidates	Wednesday, August 22
Wednesday, August 15, general election candidates	Wednesday, August 29
Wednesday, August 22, general election candidates	Thursday, September 6
Wednesday, August 29**, general election candidates	Thursday, September 13
Wednesday, September 5**, general election candidates	Wednesday, September 19
Wednesday, September 12**, general election candidates	Wednesday, September 26
Wednesday, September 19**, general election candidates	Wednesday, October 3
Wednesday, September 26**, general election candidates	Thursday, October 11
Wednesday, October 3**, general election candidates	Thursday, October 18
Wednesday, October 10**, general election candidates	Friday, October 19
Friday, October 12**, general election candidates **(FINAL application deadline for candidates in general election)**	Friday, October 19

General Election Grant Applications Will Not Be Accepted After Oct. 12 at 5 p.m.

**Note: These deadlines do not coincide with the dates of the grant reduction schedule set forth in Public Act 17-2 (June Special Session) as explained in the next section.

I. General Assembly Application Deadlines & Commission Meeting Dates

Application Deadlines – By 5:00 p.m. on the following:	Commission Meeting Dates
Wednesday, May 16 for primary or general election	Wednesday, May 23
Wednesday, May 23, for primary or general election	Thursday, May 31
Wednesday, May 30, for primary or general election	Wednesday, June 6
Wednesday, June 6, for primary or general election	Wednesday, June 13
Wednesday, June 13, for primary or general election	Wednesday, June 20
Wednesday, June 20, for primary or general election	Wednesday, June 27
Wednesday, June 27 for primary or general election	Thursday, July 5
Thursday, July 5, for primary or general election	Thursday, July 12
Wednesday, July 11, for primary or general election	Wednesday, July 18
*Wednesday, July 18, for primary candidates only	Wednesday, July 25
*Friday, July 20, for primary candidates only **(FINAL application deadline for candidates in primary)**	Friday, July 27

Primary Grant Applications Will Not Be Accepted After July 20 at 5 p.m.

Wednesday, July 18, general election candidates	Wednesday, August 1
Wednesday, July 25, general election candidates	Wednesday, August 1
Wednesday, August 1, general election candidates	Wednesday, August 8
Wednesday, August 8, general election candidates	Wednesday, August 15
Wednesday, August 15, general election candidates	Wednesday, August 22
Wednesday, August 22, general election candidates	Wednesday, August 29
Wednesday, August 29**, general election candidates	Thursday, September 6
Wednesday, September 5**, general election candidates	Wednesday, September 12
Wednesday, September 12**, general election candidates	Wednesday, September 19
Wednesday, September 19**, general election candidates	Wednesday, September 26
Wednesday, September 26**, general election candidates	Wednesday, October 3
Wednesday, October 3**, general election candidates	Thursday, October 11
Wednesday, October 10**, general election candidates	Wednesday, October 17
Friday, October 12**, general election candidates **(FINAL application deadline for candidates in general election)**	Friday, October 19

General Election Grant Applications Will Not Be Accepted After Oct. 12 at 5 p.m.

**Note: These deadlines do not coincide with the dates of the grant reduction schedule set forth in Public Act 17-2 (June Special Session) as explained in the next section.

J. Grant Reduction Schedule

In Public Act 17-2 (June Special Session), the legislature adopted a grant reduction schedule so that the later in the election cycle a campaign applies for a grant, the smaller the grant amount it will be eligible to receive.

Specfically, campaigns will receive the following percentage of the grant they are otherwise eligible to receive if they submit their application during agency hours according to the following schedule:

- Applications received prior to the 70th day preceding the election (on or before 8/27/18): 100% of grant.
- Applications received on or after the 70th day but before the 56th day preceding the election (between 8/28/18 and 9/10/18): 75% of grant.
- Applications received on or after the 56th day but before the 42nd day preceding the election (between 9/11/18 and 9/24/18): 65% of grant.
- Applications received between on or after the 42nd day but before the 28th day preceding the election (between 9/25/18 and 10/5/18*): 55% of grant.
- Applications received on or after the 28th day preceding the election and by the last deadline date (between 10/9/18 and 10/12/18): 40% of grant.

** The 28th day before the election is preceded by a holiday and therefore applications must be submitted by 5:00 p.m. on Friday, October 5, 2018, to qualify for a 55% grant.*

For the actual grant amounts based on date of application, please see **Chapter V. Campaign Grants**. Primary grant amounts are not affected since the deadline for primary grant applications occurrs prior to the 70th day before the general election when the reductions begin.

[General Statutes § 9-705 (as amended by P.A. 17-2 (June Special Session))]

K. Checklist for Grant Application

Important Note: In order to help facilitate the grant review process, it is imperative that all committees take great care to submit orderly and complete grant application packages. Candidates are urged to apply as early as possible in the election cycle, and also as early as possible (such as Monday or Tuesday) each week during each grant application period. Any questions about the grant application package may be directed to the Candidate Services Unit.

Pre-Application Review

Y / N The committee had a Pre-Application Review done by Commission staff.

Exploratory Committee

Y / N The candidate had an exploratory committee.

Y / N The committee has already provided documentation to the SEEC to complete a Rollover Review.

Y / N If the committee has not yet provided documentation to the SEEC to complete a Rollover Review, it will provide documentation before or, at the latest, with the grant application.

In this cycle, the exploratory committee must have filed the following before the candidate committee applies for a grant:

Y / N A Notice of Intent to Dissolve (SEEC Form 5)

Y / N A termination statement (SEEC Form 30)

Y / N A "carry forward form" detailing assets or debts carried forward from the exploratory committee to the candidate committee (If there are neither assets nor debts being carried forward, then the carry forward form must state so)

Y / N The campaign has received feedback on the status of their Rollover Review.

SEEC Form 1 and 1A – Candidate Committee Registration

Y / N The candidate registered his or her candidacy and his or her candidate committee by filing the Registration by Candidate and Candidate Committee Registration Statement (SEEC Form 1 and 1A).

Y / N / NA If there has been any change in the committee information, such as a change in address or other contact information since the candidate initially filed the registration statement (SEEC Form 1 and 1A), the candidate filed an amended registration before or with the application.

SEEC Form CEP 10 – Affidavit of Intent to Participate (the Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements)

Y / N / NA If the candidate faces a primary, the candidate filed the SEEC Form CEP 10 no later than 4:00 p.m. on July 20, 2018.

Y / N If the candidate does not face a primary, the candidate filed the SEEC Form CEP 10 no later than 4:00 p.m. on September 27, 2018.

Y / N The candidate, treasurer and deputy treasurer (if applicable) initialed every box on the form and signed the affidavit in the presence of a person who has authority to administer an oath.

Y / N The candidate checked the appropriate party status, reflecting their avenue to ballot access. *Call your Elections Officer with any questions 860-265-2985.*

SEEC Form CEP 12 – Electronic Funds Transfer (Penny Test Transaction)

Y / N The treasurer completed and previously submitted a SEEC Form CEP 12.

Y / N The treasurer or deputy treasurer confirmed via email to the Candidate Services Unit the committee's receipt of the test transaction amount.

SOTS Letter/Endorsement Paperwork (Ballot Access)

Y / N The candidate qualified for the ballot and provided a copy of the certification form from the Secretary of the State.

Qualifying Contributions

Y / N The committee raised qualifying contributions to meet or exceed, as a "buffer", the required qualifying threshold amount.

Y / N The committee raised "in-district" qualifying contributions to meet or exceed the second part of the two-part threshold

Y / N The campaign provided **TWO COPIES** of the Qualifying Contribution Certification ("QC Cert") Form or other permissible documentation for each contribution.

Y / N Each QC Cert Form has been completed in full and signed by the contributor. (Documentation listing employer as "self-employed" is not acceptable.)

Y / N **Each QC document copy has a unique Contribution ID number marked in its upper right hand corner that matches the Contribution ID number reported in Section B of SEEC Form 30 (on eCRIS).**

Y / N The copies are organized in order of Contribution ID number.

Y / N Check/Money Order Contributions are copied and readable. When making copies, a copy of the check or money order is placed at the bottom of the corresponding QC Cert Form. Also, the check copy still allows a full, visible contributor signature. (If the copy of the check or money order is on a separate page from the corresponding QC Cert Form, the

check or money order ***must*** also be numbered with the Contribution ID number).

Y / N Cash Contributions were not copied. **Do not photocopy cash!** If cash is copied to the bottom of a QC Cert Form, recopy with a piece of white paper over the cash, but make sure the re-copy clearly shows the contributor's signature on the QC Cert Form.

Y / N Each QC Cert Form shows a **residential address** for the contributor. (Documentation with a P.O. Box is not acceptable).

Y / N The paper copies are **not** bound, stapled, clipped, taped, and **not** in a vinyl cover, sleeve or notebook.

If the committee collected **online contributions** via a website, the SEEC staff reviewed:

Y / N / NA The website interface

Y / N / NA The transactional receipts

Y / N / NA The spreadsheet

Y / N / NA The initial merchant account processor (MAP) letter

If a contribution was made by credit card, the committee has provided all required backup documentation:

Y / N / NA The individual transactional receipts (which will serve as the certification forms and should be printed and numbered in accordance to their contribution ID number)

Y / N / NA A copy of the summary statement(s) of all contributions collected online from the merchant account provider in a workable format (Excel/CSV)

Y / N / NA The initial MAP letter

Y / N / NA A grant application processor (GAP) letter stating any changes or affirming no changes since the SEEC staff's review of the website

Y / N The campaign treasurer has kept all original documentation of qualifying contributions. (Treasurers must keep internal records, including originals and solicitor records, for four years.)

Deposits

Y / N At the time of grant application, every contribution reported has also been deposited. All contributions, including cash and all contributions received via the website, must be deposited into the committee's bank account before they are spent.

At the time of grant application, the committee depository holds only the following:

Y / N Unspent qualifying contributions of no more than the applicable threshold

Y / N / NA Unspent personal funds provided to the committee by the candidate of no more than the allowable limit

Y / N / NA Unspent bank interest not yet transmitted to the Citizens' Election Fund

SEEC Form CEP 15 – Application Form

Y / N The candidate, treasurer and deputy treasurer (if applicable) initialed every box on the application and signed the application.

Y / N The candidate has agreed, by signing and dating the continuance section of the grant application form, to permit the Commission to continue its review, without prejudice, of an application after the initial review period, if necessary.

SEEC Form 30 – Itemized Statement Accompanying Application for Public Grant

Y / N The treasurer has completed every applicable section and signed the SEEC Form 30 reporting all funds received, expenditures made and expenses incurred but not yet paid by the committee through the end of the time period covered by the financial report for the grant application.

Y / N / NA **The treasurer has reported any personal funds form the candidate in Section E. Personal Funds of the Candidate. (Note: Candidates CANNOT contribute to their own candidate committee.)**

Y / N / NA The treasurer has confirmed with the candidate that ***all*** expenses paid by the candidate to date, whether or not reimbursement has been sought, have been reported in the SEEC Form 30 submitted with this application.

Y / N The treasurer confirmed that all filings made during the life of the committee utilizing a SEEC Form 21 or Section A of SEEC Form 30 have been amended to report each contribution received during the relevant timeframe in Section B of a SEEC Form 30.

Buffer Check

Y / N The treasurer provided a signed committee check made payable to the Citizens' Election Fund ("CEF") at the time of grant submission in the amount of the buffer qualifying contributions (also known as the buffer check).

Y / N The treasurer followed the instructions in the section "How to Calculate the Amount for the Buffer Check" and confirmed that the buffer check is for the correct amount.

Y / N The treasurer (or deputy treasurer) will be readily available during the grant application period to answer questions or promptly provide a committee check for any adjustment in the amount for transmission to the Citizens' Election Fund.

Non-Qualifying Contributions

At the time of grant application, the treasurer either:

Y / N / NA Returned (if not yet deposited) or refunded all non-qualifying contributions to the contributors, and reported the receipt as well as the refund in SEEC Form 30 of all refunded contributions, prior to applying for a grant; **OR**

Y / N / NA Wrote a committee check to "CEF" for the amount of all **non-qualifying contributions retained by the committee**, and included that check with the grant application. (Note – this may be included with the buffer check.)

Important Note for Candidates in a Primary: Although a participating candidate who has qualified for a Program grant for a primary does not need to re-qualify for a general election grant after he or she has won the primary, the candidate does need to file a SEEC Form 30 after the primary, so that the Commission can determine the amount of the general election grant for which the candidate qualifies.

V. CAMPAIGN GRANTS

The Commission will award primary and/or general election grants to qualified candidate committees in the amounts described in this chapter. If the Commission cannot initially determine, at the time it approves an application, whether the participating candidate is opposed by another candidate who has qualified to appear on the ballot, the Commission will award the *lowest* amount for which the candidate committee is eligible. Once the Commission has knowledge of the Secretary of the State's determination of official ballot status for any opponent to the participating candidate, the Commission will award any applicable remaining portion of the full applicable grant to the qualified candidate committee.

[General Statutes § 9-706(d)]

A candidate's eligibility for a public grant hinges on demonstrating significant public support. The Program bases a candidate committee's grant amount on the candidate's level of public support as demonstrated by how the candidate qualifies for the ballot, and, in some instances, by a show of support based on the number of nominating petition signatures a candidate obtains (as set forth below). In some circumstances, a candidate may utilize the nominating petition process to qualify for a grant, or, if already eligible for a partial grant, to increase the amount of the grant if the candidate receives enough nominating petition signatures to meet certain thresholds demonstrating significant public support. In addition, a general election grant amount will be affected by when during the election cycle the campaign applies.

A. Primary Campaign Grants

Eligible candidates who qualify for the ballot in a primary are eligible to apply for a primary grant. After the party conventions, caucuses or town committee meetings are held to endorse a party candidate, the Secretary of the State certifies which candidates will face primary contests. In order to be eligible for a primary grant, the candidate must qualify for a place on the ballot pursuant to state election laws and the primary must be scheduled.

Important Note: Allowable personal funds provided by the candidate in the pre-primary/pre-general election grant period reduce the primary grant by a corresponding amount.

[General Statutes §§ 9-382, 9-383, 9-390, 9-400(b), 9-700(11)]

1. Primary Campaign Grant Amounts

Nomination Sought	**Primary Grant Amount – Major Party**
Governor	$1,354,250.00
Lieutenant Governor, Secretary of the State, State Comptroller, State Treasurer, Attorney General	$406,275.00
State Senator	$39,410.00
State Representative	$11,260.00

[General Statutes § 9-705 (a), (b), (e)(1), (f)(1) and (h) (as amended by P.A. 17-2 (June Special Session) and P.A. 18-81)]

2. General Assembly Candidates in Party-Dominant Districts

Participating candidates for General Assembly offices in "party-dominant" districts are eligible for larger grants in primary campaigns. A party-dominant district is one in which the percentage of active electors in the district who are enrolled in a major party exceeds the percentage of active electors in the district who are enrolled in the other major party by at least 20 percentage points. The party-dominant districts are determined by the Secretary of the State and certified to the Commission.

Important Note: The list of party-dominant districts is compiled from data made available by the Secretary of the State's office, and Commission staff has provided a listing of the party-dominant districts on its website. Elections Officers will notify registered candidates who are seeking office in a party-dominant district and are on the primary ballot.

Nomination Sought	**Primary Grant Amount – "Party-Dominant" District**
State Senator	$84,450.00
State Representative	$28,150.00

[General Statutes § 9-705(e)(1), (f)(1) and (h) (as amended by P.A. 17-2 (June Special Session) and P.A. 18-81)]

Important Note: The qualified committee of a candidate who receives a primary grant, and then wins the party nomination through a primary election, does *not* have to re-apply for a grant for the general election. However, any unspent primary grant funds that remain in the candidate's account will be subtracted from the general election grant. Any such candidate who wins the primary is required to submit a campaign finance disclosure statement after the primary in order to determine the amount of the general election grant. In addition, the campaign must submit a "carry forward" form listing each item the committee has previously purchased which it intends to use in the general election – the value of these items will be subtracted from the general election grant as well. If the committee is not bringing anything forward, it must still complete the form and indicate so.

B. General Election Campaign Grants

1. Grant Reduction Schedule

As previously discussed, the legislature has recently implemented a grant reduction schedule so the later a campaign applies for a general election grant, the smaller the grant it may be eligible to receive. The specific dates in 2018 and the corresponding grant amounts will be outlined in the next sections.

[General Statutes § 9-705 (as amended by P.A. 17-2 (June Special Session))]

2. Major Party Candidates

A major party is defined as a political party or organization whose candidate for Governor in the most recent gubernatorial election received *at least* 20% of the whole number of votes cast for all candidates for Governor while running as a member of that party, or a political party having a number of enrolled members on the active registry list equal to *at least* 20% of the total number of enrolled members of all political parties on the active registry list in the state at the time of the last gubernatorial election.

A candidate who has obtained the nomination of a major party is eligible for a full general election grant base amount. However, if the candidate faces only a minor party or petitioning opponent who has not raised an amount equal to the qualifying threshold level for that office ("limited opposition"), the grant would be reduced to 60%, and if he is unopposed in the general election, the grant would be reduced to 30%. In addition, the grant now may be reduced depending on when the campaign applies. The specific grant amounts, based on application date and opposition, are below:

2018 Governor General Election Grant Amounts – Major Party Candidates

Date of Grant Application	Full Opposition (full grant)	Limited Opposition (60% grant)	Unopposed (30% grant)
If you apply on or before **5:00 p.m. on Monday, August 27, 2018** (full grant)	$6,500,400.00	$3,900,240.00	$1,950,120.00
If you apply between **Tues., August 28, 2018 through 5:00 p.m. on Mon., Sept. 10, 2018** (75%)	$4,875,300.00	$2,925,180.00	$1,462,590.00
If you apply between **Tues., Sept. 11, 2018 through 5:00 p.m. on Mon., Sept. 24, 2018** (65%)	$4,225,260.00	$2,535,156.00	$1,267,578.00
If you apply between **Tues., Sept. 25, 2018 through 5:00 p.m. on Fri., Oct. 5, 2018 *[Monday, October 8, is a state holiday]*** (55%)	$3,575,220.00	$2,145,132.00	$1,072,566.00
If you apply between **Tues., Oct. 9, 2018 through 5:00 p.m. on Fri., Oct. 12, 2018** (40%)	$2,600,160.00	$1,560,096.00	$780,048.00

2018 Attorney General, Secretary of the State, State Comptroller, and State Treasurer General Election Grant Amounts – Major Party Candidates

Date of Grant Application	Full Opposition (full grant)	Limited Opposition (60% grant)	Unopposed (30% grant)
If you apply on or before **5:00 p.m. on Monday, August 27, 2018** (full grant)	$812,550.00	$487,530.00	$243,765.00
If you apply between **Tues., August 28, 2018 through 5:00 p.m. on Mon., Sept. 10, 2018** (75%)	$609,412.50	$365,647.50	$182,823.75
If you apply between **Tues., Sept. 11, 2018 through 5:00 p.m. on Mon., Sept. 24, 2018** (65%)	$528,157.50	$316,894.50	$158,447.25
If you apply between **Tues., Sept. 25, 2018 through 5:00 p.m. on Fri., Oct. 5, 2018 *[Monday, October 8, is a state holiday]*** (55%)	$446,902.50	$268,141.50	$134,070.75
If you apply between **Tues., Oct. 9, 2018 through 5:00 p.m. on Fri., Oct. 12, 2018** (40%)	$325,020.00	$195,012.00	$97,506.00

2018 Senate General Election Grant Amounts – Major Party Candidates

Date of Grant Application	Full Opposition (full grant)	Limited Opposition (60% grant)	Unopposed (30% grant)
If you apply on or before **5:00 p.m. on Monday, August 27, 2018** (full grant)	$95,710.00	$57,426.00	$28,713.00
If you apply between **Tues., August 28, 2018 through 5:00 p.m. on Mon., Sept. 10, 2018** (75%)	$71,782.50	$43,069.50	$21,534.75
If you apply between **Tues., Sept. 11, 2018 through 5:00 p.m. on Mon., Sept. 24, 2018** (65%)	$62,211.50	$37,326.90	$18,663.45
If you apply between **Tues., Sept. 25, 2018 through 5:00 p.m. on Fri., Oct. 5, 2018 *[Monday, October 8, is a state holiday]*** (55%)	$52,640.50	$31,584.30	$15,792.15
If you apply between **Tues., Oct. 9, 2018 through 5:00 p.m. on Fri., Oct. 12, 2018** (40%)	$38,284.00	$22,970.40	$11,485.20

2018 State Representative General Election Grant Amounts – Major Party Candidates

Date of Grant Application	Full Opposition (full grant)	Limited Opposition (60% grant)	Unopposed (30% grant)
If you apply on or before **5:00 p.m. on Monday, August 27, 2018** (full grant)	$28,150.00	$16,890.00	$8,445.00
If you apply between **Tues., August 28, 2018 through 5:00 p.m. on Mon., Sept. 10, 2018** (75%)	$21,112.50	$12,667.50	$6,333.75
If you apply between **Tues., Sept. 11, 2018 through 5:00 p.m. on Mon., Sept. 24, 2018** (65%)	$18,297.50	$10,978.50	$5,489.25
If you apply between **Tues., Sept. 25, 2018 through 5:00 p.m. on Fri., Oct. 5, 2018 *[Monday, October 8, is a state holiday]*** (55%)	$15,482.50	$9,289.50	$4,644.75
If you apply between **Tues., Oct. 9, 2018 through 5:00 p.m. on Fri., Oct. 12, 2018** (40%)	$11,260.00	$6,756.00	$3,378.00

Grant amounts are also reduced by any personal funds provided by the candidate, certain amounts of lawn signs provided to the committee, and any grant monies left over from a primary.

3. Minor Party and Petitioning Candidates

A minor party is defined as a political party that is not a major party and whose candidate for the office in question received at the last-preceding regular election for such office, under the designation of that political party or organization, at least 1% of the whole number of votes cast for all candidates for such office at such election.

A petitioning candidate is one who utilizes the nominating petition procedure to obtain general election ballot access.

A minor party candidate is eligible for a **full general election grant** if he has obtained the nomination of a minor party whose candidate seeking election for the same office in the same district at the last-preceding regular election received at least 20% of the votes cast for that office. A petitioning candidate is eligible for a full general election grant if he has obtained ballot access and petition signatures by electors equaling at least 20% of the votes cast for that office in the prior general election.

A minor party candidate is eligible for **two thirds** of a full general election grant if he has obtained the nomination of a minor party whose candidate seeking election for the same office in the same district at the last-preceding regular election received at least 15% of the votes cast for that office. A petitioning candidate is eligible for a full general election grant if he has obtained ballot access and petition signatures by electors equaling at least 15% of the votes cast for that office in the prior general election.

A minor party candidate is eligible for **one third** of a full general election grant if he has obtained the nomination of a minor party whose candidate seeking election for the same office in the same district at the last-preceding regular election received at least 10% of the votes cast for that office. A petitioning candidate is eligible for a full general election grant if he has obtained ballot access and petition signatures by electors equaling at least 10% of the votes cast for that office in the prior general election.

In addition, the grant amount may be reduced depending on when the candidate applies during the election cycle, as previously discussed. The specific grant amounts, based on application date and percentage of signatures / vote obtained by the minor party in previous regular election cycle, are summarized in the charts below:

Committees of Candidates Who Receive One-Third or Two-Thirds of the Full Grant Amount May Raise "Differential Contributions"

Minor party or petitioning candidates who receive less than the full grant amount may continue to raise and spend additional contributions, known as "differential contributions," which must meet the criteria for qualifying contributions, up to the amount of the full applicable grant for the general election for that office.

Committees of Candidates Who Receive One-Third or Two-Thirds of the Full Grant Amount May Be Eligible For Post-Election Grant

Minor party or petitioning candidates who receive a one-third or two-thirds grant amount and report a deficit in post-election disclosure statements may also be eligible to receive supplemental grant money.

2018 Governor General Election Grant Amounts – Minor Party & Petitioning Candidates

Date of Grant Application	20% last vote / signatures (full grant)	15% last vote / signatures (2/3 grant)	10% last vote / signatures (1/3 grant)
If you apply on or before **5:00 p.m. on Monday, August 27, 2018** (full grant)	$6,500,400.00	$4,333,600.00	$2,166,800.00
If you apply between **Tues., August 28, 2018 through 5:00 p.m. on Mon., Sept. 10, 2018** (75%)	$4,875,300.00	$3,250,200.00	$1,625,100.00
If you apply between **Tues., Sept. 11, 2018 through 5:00 p.m. on Mon., Sept. 24, 2018** (65%)	$4,225,260.00	$2,816,840.00	$1,408,420.00
If you apply between **Tues., Sept. 25, 2018 through 5:00 p.m. on Fri., Oct 5, 2018 *[Monday, October 8, is a state holiday]*** (55%)	$3,575,220.00	$2,383,480.00	$1,191,740.00
If you apply between **Tues., Oct. 9, 2018 through 5:00 p.m. on Fri., Oct. 12, 2018** (40%)	$2,600,160.00	$1,733,440.00	$866,720.00

2018 Attorney General, Secretary of the State, State Comptroller, and State Treasurer General Election Grant Amounts – Minor Party & Petitioning Candidates

Date of Grant Application	20% last vote / signatures (full grant)	15% last vote / signatures (2/3 grant)	10% last vote / signatures (1/3 grant)
If you apply on or before **5:00 p.m. on Monday, August 27, 2018** (full grant)	$812,550.00	$541,700.00	$270,850.00
If you apply between **Tues., August 28, 2018 through 5:00 p.m. on Mon., Sept. 10, 2018** (75%)	$609,412.50	$406,275.00	$203,137.50
If you apply between **Tues., Sept. 11, 2018 through 5:00 p.m. on Mon., Sept. 24, 2018** (65%)	$528,157.50	$352,105.00	$176,052.50
If you apply between **Tues., Sept. 25, 2018 through 5:00 p.m. on Fri., Oct. 5, 2018 *[Monday, October 8, is a state holiday]*** (55%)	$446,902.50	$297,935.00	$148,967.50
If you apply between **Tues, Oct. 9, 2018 through 5:00 p.m. on Fri., Oct. 12, 2018** (40%)	$325,020.00	$216,680.00	$108,340.00

2018 Senate General Election Grant Amounts – Minor Party & Petitioning Candidates

Date of Grant Application	20% last vote / signatures (full grant)	15% last vote / signatures (2/3 grant)	10% last vote / signatures (1/3 grant)
If you apply on or before **5:00 p.m. on Monday, August 27, 2018** (full grant)	$95,710.00	$63,806.67	$31,903.33
If you apply between **Tues., August 28, 2018 through 5:00 p.m. on Mon., Sept. 10, 2018** (75%)	$71,782.50	$47,855.00	$23,927.50
If you apply between **Tues., Sept. 11, 2018 through 5:00 p.m. on Mon., Sept. 24, 2018** (65%)	$62,211.50	$41,474.33	$20,737.17
If you apply between **Tues., Sept. 25, 2018 through 5:00 p.m. on Fri., Oct. 5, 2018 *[Monday, October 8, is a state holiday]*** (55%)	$52,640.50	$35,093.67	$17,546.83
If you apply between **Tues., Oct. 9, 2018 through 5:00 p.m. on Fri., Oct. 12, 2018** (40%)	$38,284.00	$25,522.67	$12,761.33

2018 State Rep. General Election Grant Amounts – Minor Party & Petitioning Candidates

Date of Grant Application	20% last vote / signatures (full grant)	15% last vote / signatures (2/3 grant)	10% last vote / signatures (1/3 grant)
If you apply on or before **5:00 p.m. on Monday, August 27, 2018** (full grant)	$28,150.00	$18,766.67	$9,383.33
If you apply between **Tues., August 28, 2018 through 5:00 p.m. on Mon., Sept. 10, 2018** (75%)	$21,112.50	$14,075.00	$7,037.50
If you apply between **Tues., Sept. 11, 2018 through 5:00 p.m. on Mon., Sept. 24, 2018** (65%)	$18,297.50	$12,198.33	$6,099.17
If you apply between **Tues., Sept. 25, 2018 through 5:00 p.m. on Fri., Oct. 5, 2018 *[Monday, October 8, is a state holiday]*** (55%)	$15,482.50	$10,321.67	$5,160.83
If you apply between **Tues., Oct. 9, 2018 through 5:00 p.m. on Fri., Oct. 12, 2018** (40%)	$11,260.00	$7,506.67	$3,753.33

Grant amounts may also be reduced by the amount of any unspent primary funds (if the candidate's committee received a primary grant), certain amounts of lawn signs provided to the committee, and by any personal funds provided by the candidate.

4. Committees of General Assembly Candidates Who Received a Grant Who Face an Adjourned Primary or Election May Be Eligible for an Additional Grant

If there is an adjourned primary due to a tie vote, a qualified candidate committee of a major party candidate will be eligible for an additional grant in the amount of: (A) $15,000 in the case of state senate; or (B) $5,000 in the case of a state representative.

If there is an adjourned election due to a tie vote, a qualified candidate committee of a candidate who has been nominated, or who has qualified to appear on the election ballot through the petitioning process, will be eligible for an additional grant for the general election campaign in the amount of: (A) $15,000 in the case of state senate; and (B) $5,000 in the case of state representative.

[General Statutes § 9-705(g)(3)]

VI. CAMPAIGN EXPENDITURES

Campaign funds may be spent only to advance the candidacy of the participating candidate. Public funds *must* be spent in accordance with Program regulations. In order to comply with the Program, candidates and their campaign treasurers must:

- Designate a single checking account for the deposit of all funds received by the committee and disclose the name of the depository institution on SEEC Form 1/ SEEC Form 1A at the time of registration;
- Pay for expenditures with a committee check, check card or debit card drawn on the campaign's account — use of cash should be minimal and is restricted by Program regulations and use of committee credit cards is not permitted;
- Document and report each expenditure in order to provide the Commission with proof of the nature and purpose of all campaign spending.

A participating campaign's spending may be examined through post-election reviews conducted to ensure compliance with Program requirements. Campaign treasurers should keep documents, such as receipts and copies of checks, to substantiate all expenditures. The law requires the treasurer (or candidate, if so desired) to keep the committee records for ***four years*** from the date of the termination filing.

[General Statutes §§ 9-602(a), 9-607]

A. Permissible Expenditures Generally

All expenditures must be made to promote the nomination or election of the candidate who established the committee. The treasurer (or the deputy treasurer during the treasurer's absence or disability) is the only individual who may authorize or make any committee expenditures.

Important Note: Candidates are **required** to report any expenditures they make on behalf of the committee to the treasurer. Candidates should specify whether or not they will seek reimbursement. **The candidate's unreimbursed expenditures are considered part of their allowable "personal funds," restricted to the limits described in the first chapter. Moreover, once a committee submits a grant application, the candidate may no longer provide personal funds and therefore is required to seek reimbursement for candidate expenditures.** It is imperative that the candidate keep the treasurer informed on an ongoing and timely basis so that Program requirements can be properly monitored and reported.

Costs traditionally associated with running a political campaign are normally considered to be valid expenditures. Examples of expenditures of campaign funds that are generally permissible include:

- Advertising and publicity expenses, including campaign paraphernalia;
- Costs of promotional events (including election day events)—food, rental, staffing, and entertainment;
- Polling and "get-out-the-vote" activities for the participating candidate;

- Food and beverages for campaign staff—capped at $15 for breakfast, $20 for lunch, and $30 for dinner, per person, per occasion, inclusive of tax and gratuities;
- Travel expenses for campaign meetings, voter contact or other similar campaign related activities;
- Salaries for staff and fees for professional consultants, as long as the employee or consultant is not the candidate or a member of the candidate's extended family and, if the salary or fee is or is anticipated to be over $100, the treasurer obtains a written agreement, prior to the work being done, and maintains records documenting the actual work performed;
- Office expenses, such as rent, supplies, and rental or purchase of equipment and furniture; and
- Limited post-election expenses, including: a limited amount of thank you notes or advertising (more fully described in Post-Election Spending later in this chapter); a post-election thank you meal for committee workers occurring within fourteen days of the applicable primary or election day, where the cost of the meal does not exceed $30 per worker; a payment not exceeding $1,000 to a campaign treasurer for services rendered; and the cost of complying with a post-election review conducted by the Commission (e.g., photocopying records).

This list, which is by no means exclusive or exhaustive, offers some examples of legitimate campaign expenses that fall within the lawful purposes of a participating candidate's committee. Keeping detailed, contemporaneous spending records—a practice required for participating candidates and their campaigns—will allow the Commission to verify that funds were spent in accordance with the Program regulations. *The Commission will consider any expenditure that lacks detailed, contemporaneous documentation an impermissible expenditure*.

[General Statutes §§ 9-607, 9-608(e)(1)(F)-(H), 9-703; Regs., Conn. State Agencies §§ 9-607-1, 9-706-1, 9-706-2]

Example: A candidate committee decides to hire a web designer to create a committee website at a rate of $30 per hour. The designer estimates that it will take him at least five hours to complete the website design. Because the fee is anticipated to be over $100, the committee must have a written agreement in place which lays out the nature and duration of the fee arrangement and describes the scope of work to be performed **before** any work is begun. The committee must also maintain records documenting the actual work performed or services rendered.

B. Reimbursement for Authorized Expenditures

The campaign may reimburse a committee worker or consultant or the candidate for expenses they paid for out of pocket as long as the expense was authorized by the committee treasurer, documented, and permissible. The treasurer must reimburse the committee or candidate with a check written from the committee's depository account (a committee may **not** reimburse via items, such as meal or gas vouchers).

When a participating candidate or committee worker uses personal funds (including payments via personal credit or debit card) to make authorized expenditures on behalf of the committee and seeks reimbursement, they must be reimbursed within a reasonable time. *The Commission has stated that reimbursement within 45 days of the date the expenditure was made or incurred is generally a reasonable amount of time.*

[General Statutes § 9-607(j)]

C. Joint Expenditures with Another Committee

A "joint expenditure" is an expenditure shared by more than one committee, where each committee pays it proportional, *pro rata* share of the expense. While a candidate committee is prohibited from making any contributions or expenditures that benefit other candidates or committees, a candidate committee may make joint expenditures with other committees and pay its *pro rata* share of the joint expenses of operating a campaign headquarters and of preparing, printing, and disseminating any political communication that benefits its candidate. If the expense is paid initially by the other committee, the participating candidate committee may reimburse the other committee before the participating candidate receives a grant. After receiving a grant, the participating candidate generally must pay pro rata expenses directly to the vendors – it cannot make another committee, even if it is only to reimburse. However, recent law changes now permit a candidate committee that received a grant to deposit money from another *candidate* committee for a reimbursement for shared expenses for which only the committee being paid or reimbursed is under a contractual obligation to pay. But if a participating campaign that received a grant wants to make a joint expenditure with a town committee, for example, the committees must both pay the vendor directly.

[General Statutes §§ 9-610(b), 9-707; Regs., Conn. State Agencies § 9-706-2(b)(8)]

A candidate committee that makes a coordinated expenditure with another candidate committee or committees must disclose it in Section N of SEEC Form 30, entitled *Expenses Paid by Committee*, along with the name or names of the other candidates supported, together with an indication that the expense was coordinated with reimbursement sought. Reimbursement must be received within a reasonable time in order for the committees to avoid making or receiving a prohibited in-kind contribution.

Important Note: *Pro rata* means the proportion of space or time devoted to a single candidate in relationship to all other candidates. In the case of a printed fundraising invitation, *pro rata* means the proportion of space devoted to each candidate. In the case of audio or video invitations, *pro rata* means the percentage of time used. The Commission will permit any reasonable allocation that is made in good faith by the treasurer of the candidate committee making the expenditure that benefits other candidates. The best practice is to keep notes about how the *pro rata* allocation was calculated. Also, be sure to keep documentation for any underlying bills, such as individual vendor invoices—do not rely on blanket documentation for repayments to the other committee or to a vendor.

For more information on when a communication represents a joint expenditure and how to allocate the costs of a joint communication, please see Declaratory Ruling 2011-03. If a committee has questions after reviewing the declaratory ruling, please contact the committee's assigned Elections Officer.

The Commission urges participating candidate committees who choose to share the expenses of operating a campaign headquarters or preparing, printing, or disseminating any political communication as described above to keep detailed documentation of each committee's *pro rata* share of expenditures. Failure to do so may result in the making or receiving of an impermissible "in-kind" contribution, in violation of the Program's requirements.

[General Statutes §§ 9-608(c)(1)(C), 9-610(b), 9-616(a)(5); Declaratory Ruling 2011-03]

D. Impermissible Expenditures

Committee expenditures that are *not* made to directly promote the nomination or election of the candidate who established the candidate committee are improper or impermissible expenditures.

For participating candidate committees, impermissible expenditures generally include goods or services in the following categories:

1. Personal Use

No goods, services, funds or contributions received by any committee may be made available for the personal use of any candidate or individual.

Expenditures for "personal use" include expenditures to defray normal living expenses for the candidate, the immediate family of the candidate, or any other individual as well as costs of personal appearance (hairstyling, cosmetics, cosmetic treatments) or the candidate's household day-to-day supplies, merchandise, clothing or attire, even if such personal items (such as the participating candidate's residence or business suits) are used for campaign-related purposes, are impermissible.

[Regs., Conn. State Agencies § 9-706-2(b)(1) and (2)]

2. Payments to Candidate or Candidate's Family Members or their Businesses

A participating candidate's committee may *not* make payments to the candidate *or* any of the candidate's family members as outlined in the chart below. The only exception to this rule is for properly authorized and claimed reimbursements for expenses made by the candidate or a family member who volunteers his/her time or services to the committee. The campaign may **never** pay family members for their services or time.

Additionally, the campaign may not make any payments to an entity in which the participating candidate or member of the candidate's family has a 5% or greater ownership interest.

CANDIDATE'S FAMILY MEMBERS

Candidate's	Candidate Spouse's or Domestic Partner's
Spouse or domestic partner	
Sibling	Sibling
Sibling's spouse or partner	Sibling's spouse or partner
Sibling's child (nephew or niece)	Sibling's child
Sibling's child's spouse or partner	Sibling's child's spouse or partner
Child	Child
Child's spouse or domestic partner	Child's spouse or domestic partner
Grandchild	Grandchild
Grandchild's spouse or domestic partner	Grandchild's spouse or domestic partner
Parent	Parent
Parent's spouse or domestic partner	Parent's spouse or domestic partner
Grandparent	Grandparent
Grandparent's spouse or domestic partner	Grandparent's spouse or domestic partner
Sibling of candidate's parent (aunt or uncle)	Sibling of spouse or partner's parent (aunt or uncle)
Aunt or uncle's spouse or domestic partner	Aunt or uncle's spouse or domestic partner
Child of aunt or uncle (cousin)	Child of aunt or uncle (cousin)
Cousin's spouse or domestic partner	Cousin's spouse or domestic partner

[Regs., Conn. State Agencies § 9-706-2(b)(3) and (4)]

3. Contributions to Other Committees or Gifts of Any Kind to Any Person

A participating candidate's committee may **not** make expenditures for:

- Contributions or loans to or for the benefit of another candidate, political committee, or party committee (including purchase of a ticket to another committee's event or space in a committee's ad book);

- Any joint expenditure where the committees do not share expenses on a *pro rata* basis;
- Donations to a charity or community organization;
- Gifts of any kind, if the value exceeds $5 to any one recipient; and
- Post-election bonus payments to campaign staff or volunteers, although a payment not exceeding $1,000 may be made, after the election, to a campaign treasurer for services rendered to the candidate committee.

[General Statutes § 9-608(e)(1)(G)); Regs. Conn. State Agencies § 9-706-2(b)]

Important Note: Since candidate committees cannot use public funds to donate to charities, this means, among other things, that a candidate committee cannot hold a food drive in connection with one of its fundraising or meet-and-greet events.

4. Payments for Goods or Services Above or Below Fair Market Value

A participating candidate's committee may not pay more or less than the fair market value for goods or services received, including computers and office equipment, but may take advantage of discounts offered to the general public.

In addition, a vendor may provide food or beverage for use by a participating candidate committee at a discount, if the charge is not less than the cost of the items to the vendor and the cumulative value of the discount given to or on behalf of the candidate committee does not exceed $400 with respect to any single primary or election (the $400 limit resets after the primary if the candidate is involved in both a primary and the election).

[General Statutes § 9-601a(b)(6); Regs., Conn. State Agencies § 9-706-2(b)]

5. Expenditures Lacking Sufficient Contemporaneous Documentation of a Campaign-Related Purpose

Any expenditure for which the campaign does not have sufficient contemporaneous documentation to prove that the payment was made to advance the participating candidate's nomination or election may be considered an impermissible expenditure. Keeping accurate and complete records is necessary for participating candidates and their campaigns.

[Regs., Conn. State Agencies § 9-706-1(b)]

Chapter VIII. Treasurer's Responsibilities and Recordkeeping provides more detail about keeping records, and contains a definition of *contemporaneous*, as well as examples and information regarding sufficient expenditure documentation.

6. Other Improper Expenditures

Other impermissible expenditures include, but are not limited to:

- Any expense that is not ultimately paid from the committee's depository account;
- Any expense that is not authorized by the treasurer;

- Purchase of an office or a vehicle;
- Vehicle or transportation expenditures unrelated to the campaign, or campaign mileage and fuel expenses reimbursed at a rate higher than the IRS's standard mileage rate for business deductions;
- Individual *cash* expenditures in excess of $50. A participating candidate committee's petty cash fund shall not exceed $100 at any time;
- Expenditures in violation of any federal, state or local law;
- Expenditures incurred but not paid where payment is made contingent on whether the participating candidate receives a Program grant;
- Expenditures to a party or political committee, including reimbursements, after the participating candidate receives a Program grant; and
- Penalties or fines.

[Regs. Conn. State Agencies § 9-706-2(b)]

Participating candidates should direct any questions about the legality of an expenditure to Commission staff, through their assigned Elections Officer, *before* spending or committing to spend campaign funds.

E. Bank Interest

The committee may *not* expend interest earned on deposits of qualifying contributions, allowable personal funds, or Program grant money deposited into its designated depository, as such an expenditure may cause them to exceed expenditure limits. The treasurer must track the accrued interest as reported by the bank and transmit the interest to the Citizens' Election Fund in a lump sum at the time of the committee's transmission of its surplus to the Fund by the surplus distribution deadline set by statute. Bank interest must be disclosed in the committee's financial disclosure statement (in Section G of the SEEC Form 30), as well as its transmission to the Fund (in Section N) at the time or surplus distribution.

[General Statutes §§ 9-608(e)(1), 9-707]

F. Expenditure Limits

Spending limits exist for three discrete periods of an election cycle:

1. The period before a primary campaign and general election campaign (the pre-primary/pre-general election period);
2. The primary campaign (if applicable); *and*
3. The general election campaign.

1. Pre-Primary/Pre-General Election Campaign Period Expenditure Limits

Until the convention or meeting for nominating or endorsing a candidate is held, the pre-primary/pre-general election period expenditure limits apply (see section below on

Primary & General Election Campaign Expenditure Limits for definitions of campaign periods).

During this period, expenditures, including those incurred or obligated but not yet paid, are limited to the required amount of qualifying contributions, plus any allowable personal funds the candidate provides to the candidate committee.

Office Sought	**Qualifying Amount**	**Maximum Allowable Amount of Candidate's Personal Funds**	**Maximum Expenditures During Period**
Governor	$250,000	$20,000	$250,000 - $270,000
Lieutenant Governor	$75,000	$10,000	$75,000 - $85,000
Secretary of the State, State Comptroller, State Treasurer, Attorney General	$76,600	$10,000	$76,600 - $86,600
State Senator	$15,300	$2,000	$15,300 - $17,300
State Representative	$5,100	$1,000	$5,100 - $6,100

[General Statutes §§ 9-702(c)(A), 9-705, 9-710]

Example 1, *Within the Limits*: A participating candidate for State Representative provides $500 of personal funds as seed money to start her campaign. Her expenditure limit for the pre-primary/pre-general election period is $5,600, which is calculated by adding the amount of required qualifying contributions ($5,100) plus the amount of personal funds provided ($500).

Any initial grant received by the candidate will be reduced by the $500 of personal funds provided (i.e., if this candidate receives a primary grant, the primary grant is reduced by $500; if she wins the primary (as has no primary grant funds left and is not carrying anything previously purchased over for use in the general election), then she receives the full amount of the general election grant since her primary grant has already been reduced to offset the personal funds provided).

Thus, a candidate may wish to provide personal funds during the pre-primary/pre-general election period for seed money or because the candidate would like to spend more than the amount of qualifying contributions during the pre-primary/pre-general election period, or both.

Example 2, *Exceeding the Limits*: A participating candidate for State Senator provides no personal funds, and thus has a spending limit of $15,300 during the pre-primary/pre-general election period. His candidate committee has spent $10,000 of the qualifying contributions on permissible campaign expenses. Before nomination, the campaign treasurer purchases campaign paraphernalia for $7,500.

Because the campaign treasurer has made aggregate expenditures for the pre-primary/ pre-general election period ($17,500) exceeding the applicable expenditure limit of $15,300, the committee has impermissibly violated the Program's requirements.

2. Primary & General Election Campaign Expenditure Limits

The *primary period* begins when the convention or meeting for nominating or endorsing a candidate is held. The *general election period* begins on the day following the primary, or if no primary is held, on the day the party-endorsed candidate is deemed to be the nominee. During the primary and general election campaign periods, the amounts a candidate committee may spend are calculated by adding the amount of grant monies the committee is eligible to receive *and* any unspent qualifying contributions or unspent personal funds provided by the candidate.

Example 3, *Crossing campaign periods in a primary*: A participating candidate seeks a major party nomination for the office of State Representative. The candidate faces a primary contest. His candidate committee has raised sufficient qualifying contributions and otherwise complied with Program requirements.

The candidate provides $1,000 in personal funds to his candidate committee during the pre-primary/pre-general election campaign period. His expenditure limit for that period is, thus, $6,100 (the $5,100 amount of required qualifying contributions plus the $1,000 of personal funds provided).

During the pre-primary/ pre-general election period, his candidate committee spends $5,400. After the party convention, the candidate committee's depository account contains a balance of $700. The candidate applies for a primary campaign grant and receives an initial primary grant of $9,000 ($10,000 full grant, minus the $1,000 personal funds provided).

During the primary campaign period, his candidate committee has $9,700 to spend (calculated by adding the $9,000 primary grant plus the $700 balance remaining from the qualifying contributions and personal funds collected in the pre-primary/ pre-general election period).

[General Statutes §§ 9-702(c)(B), 9-705, 9-710; Regs., Conn. State Agencies § 9-702-1]

G. Minor Party and Petitioning Candidates May Raise and Spend Additional Contributions

As noted earlier, minor party and petitioning candidates who receive grants of one-third or two-thirds of the full grant amount can continue to raise additional contributions, known as *differential contributions*, and spend these additional funds up to the amount of the full applicable grant for major party candidates. Any differential contributions they collect must still meet the criteria for qualifying contributions and cannot be collected from contributors who have already given the limit, and the candidate's committee must stay within overall expenditure limits.

Example 4, *Petitioning Candidate raises "differential" qualifying contributions after receiving a grant*: A participating petitioning candidate for State Representative collects eligible signatures on nominating petitions equaling 16% of all votes cast for state representative in her district in the last regular election. The petitioning candidate provides no personal funds to her committee and raises a total of $5,100 in qualifying contributions, including contributions from at least 150 individuals who reside in municipalities located in whole or part in the district she seeks to represent. During the pre-primary/pre-general election period, the committee spends all of its qualifying contributions.

The candidate applies for a general election grant in early August, and the Commission approves her application. The candidate receives a grant of $16,666.67 (2/3 of the full applicable grant amount of $25,000). The candidate's committee may raise differential contributions not to exceed $8,333.33, in order to make up the difference between the grant received and the full grant. Any differential contributions received must meet the criteria for qualifying contributions (i.e. be between $5 and $250 in the aggregate, from individuals who have not already contributed the maximum $250 in the aggregate to her committee).

[General Statutes §§ 9-702(c), 9-705(g)(1) and (2)]

H. Supplemental Reporting

When a race involves at least one participating candidate, all the candidate committees in that race are required to complete weekly supplemental reports. See **Chapter VIII** for further information.

[General Statutes § 9-702(c)]

I. What Happens if a Participating Campaign Makes an Excess Expenditure?

In exchange for a public campaign grant, participating candidates voluntarily agree to abide by expenditure limits and to follow all Program requirements. If a participating candidate makes or incurs an excess expenditure before applying for a grant, it may affect the committee's eligibility to receive grant money.

[General Statutes §§ 9-702, 9-703]

In addition, penalties and other consequences apply if a qualified candidate committee which has received a grant from the Citizens' Election Fund makes or incurs an excess expenditure:

1. The candidate and campaign treasurer are jointly and severally liable to pay for the excess expenditure;
2. If the candidate and/or the campaign treasurer were aware of the excess expenditure, the candidate committee is prohibited from receiving any additional grants from the Citizens' Election Fund for the rest of the election cycle;
3. If the candidate and/or the campaign treasurer were aware of the excess expenditure, the candidate will be deemed a nonparticipating candidate for the rest of the election cycle;
4. The campaign treasurer is subject to civil penalties, including but not limited to monetary fines; and
5. The participating candidate committee that has exceeded the spending limits will be required to file a declaration of excess expenditures with the Commission (discussed in **Chapter VIII**).

[General Statutes §§ 9-7b, 9-711, 9-712]

If the Commission determines that an excess expenditure made by a participating candidate is *de minimis*, the Commission may modify or waive these penalties. When evaluating whether such an excess expenditure is *de minimis*, the Commission considers the following factors:

1. The amount of the excess expenditure in relation to the applicable expenditure limit;
2. Whether any unforeseen extraordinary circumstances, such as a natural disaster, contributed to the excess expenditure;
3. Whether the participating candidate and campaign treasurer acted diligently to follow the expenditure limit;
4. Whether the participating candidate or the treasurer used personal funds to either pay for the excess expenditure or reimburse the candidate committee for the amount of the excess expenditure upon becoming aware of the problem; and
5. Whether the participating candidate or the treasurer agrees to pay any penalties assessed by the Commission in relation to the excess expenditure.

[General Statutes §§ 9-711(a), 9-712; Regs., Conn. State Agencies § 9-711-1]

Important Note: Penalties may also apply to an individual who is associated with the campaign and who, *without the direct or indirect consent of the candidate or the treasurer*, makes or incurs an expenditure on behalf of a qualified candidate committee that exceeds the applicable spending limit. Such expenditures (1) require the individual to repay the Fund the amount of the excess expenditure; and (2) subject the individual to civil penalties imposed by the Commission.

[General Statutes § 9-711(b)]

J. Advertising Expenditures and Attribution (Disclaimer) Requirements

1. Core Attribution Requirements for Written, Typed, Printed, or Web-Based Written Communications

There are specific attribution or disclaimer requirements that apply to expenditures made for "*written, typed or printed communications or web-based written communications.*" These include communications that support or oppose a candidate, that solicit campaign funds, or both.

These communications can take many forms, such as letters, brochures, circulars, websites, emails and other web-based communications, billboards, transit advertisements, newspaper advertisements, and campaign signs that are greater than 32 square feet in surface area, television or internet video advertising, radio or internet radio advising, and automated telephone calls ("robo" calls).

For communications in the form of a flyer or leaflet, newspaper, magazine, or similar literature, or that is delivered by mail, ***the disclaimer required to be on the face of the communication, as discussed below, must now be at least in eight-point type of uniform font.***

[General Statutes § 9-621]

a. "Paid For By"

The "paid for by" requirement of the law applies to written, typed or printed communications or web-based written communications that promote the success or defeat of any candidate's campaign or solicit funds to benefit any candidate.

A candidate or exploratory committee that finances such a communication must include on the face of the communication the text "paid for by," together with the name of the sponsoring committee and its treasurer.

Important Note: An individual may not pay for a communication made with the cooperation of, at the request or suggestion of, or in consultation with the candidate, agent of the candidate, or the committee because that would be an in-kind contribution to the committee and participating committees cannot receive in-kind contributions. The committee could, however, pay for the costs of the communication.

[General Statutes § 9-621(a)(1)]

b. "Approved By"

The law also includes an "approved by" requirement that applies to written, typed, or printed communications or web-based written communications that promote the success or defeat of any candidate's campaign or solicit funds to benefit any candidate.

Under this requirement, communications financed by any candidate or exploratory committee must include on the face of the communication the words "approved by"

together with the name of the *candidate* who approved the communication, whether or not the communication is in support of the candidate or in opposition to some other candidate.

[General Statutes § 9-621(a)(2)]

2. Attribution Requirements for Television or Internet Video Advertising Communications

In addition to the "paid for by" and "approved by" attribution requirements outlined above, any candidate, candidate committee or exploratory committee that finances any television advertising or Internet video advertising in support of the candidate sponsoring the communication or in opposition to another candidate is required to simultaneously include at the end of the advertising, for a period of not less than four seconds, the following:

- A clearly identifiable photograph or similar image of the sponsoring candidate;
- A clearly readable printed statement identifying the sponsoring candidate and indicating that the sponsoring candidate has approved the advertising (which is satisfied by the "paid for by" and "approved by" attribution set forth above); and
- A simultaneous, personal audio message in the following form: "I am (sponsoring candidate's name) and I approved this message."

The advertisement must also include the candidate's name, image and voice in the narrative of the advertisement.

[General Statutes § 9-621(b)(1)]

3. Attribution Requirements for Radio or Internet Audio Advertising Communications

In addition to the "paid for by" and "approved by" attribution requirements described above, any candidate, candidate committee or exploratory committee that finances any radio advertising or Internet audio advertising in support of the candidate sponsoring the communication or in opposition to some other candidate must include at the end of the advertising a personal audio statement by the sponsoring candidate that:

- Identifies the sponsoring candidate and the elective office(s) being sought; and
- Indicates approval of the advertising in the following form: "I am (candidate's name) and I approved this message."

The advertisement must also include the candidate's name and voice in the narrative of the advertisement.

[General Statutes § 9-621(b)(2)]

4. Attribution Requirements for Campaign "Robo" Telephone Calls

In addition to the "paid for by" and "approved by" attribution requirements described above, any candidate, candidate committee or exploratory committee that makes or incurs an expenditure for automated telephone calls that promote the success of the candidate or the defeat of another candidate must include the candidate's name and voice in the narrative of the call.

[General Statutes § 9-621(b)(3)]

5. Special Attribution Requirements for State Treasurer Candidates

The campaign treasurer of an exploratory committee or candidate committee for the Office of State Treasurer shall include a statement concerning the investment services ban in any written, typed or other printed communication soliciting funds.

[General Statutes § 9-621(f)]

6. Exceptions to the Attribution Requirements

The attribution requirements outlined above do not apply to *editorials, news stories, or commentaries* published in a newspaper, magazine, or journal on its own behalf, upon its own responsibility, and not in exchange for any compensation. In addition, banners, political paraphernalia (e.g., pins, buttons, badges, emblems, hats, or bumper stickers) and signs with a surface area of not more than 32 square feet (most lawn signs) are exempt from the law's attribution requirements.

[General Statutes § 9-621(d)]

K. Post-Election Spending

Candidates are limited in the post-election expenditures that they can make. Until the candidate committee is terminated, a candidate may only make **modest** post-election expenditures for routine activities involving nominal costs associated with winding up a campaign and responding to a post-election review.

The following expenditures are generally permitted post-election expenditures:

- Unpaid utility bills and rent for campaign headquarters, as well as other unpaid campaign liabilities reported prior to the primary or general election;
- The cost of copying campaign financial records and other expenses in complying with a post-election review;
- Reasonable moving expenses related to closing the campaign office;
- Thank you notes for contributors, campaign volunteers, and staff limited to the following amounts: $7,500 for a candidate for governor; $3,500 for a candidate for other statewide office; $1,000 for a candidate for state senator; $500 for a candidate for state representative;
- A post-election thank you meal for committee workers occurring within fourteen days of the applicable primary day or election, where the cost of the meal does not exceed $30 per worker; and

- A payment not exceeding $1,000 to a campaign treasurer for services rendered.

Important Note: Parties to thank volunteers and supporters other than the ones described above may be held later than election day, but they may ***not*** be paid for by the candidate committee.

The following expenditures from committee funds are not permitted as winding-up expenditures:

- Post-election mailings other than those specifically mentioned above;
- Making contributions to any person or entity;
- Making bonus payments or gifts to staff and volunteers, with the exception of a post-election payment to the campaign treasurer of up to $1,000, as described above;
- Hosting a post-election day event, with the exception of a meal for committee workers, as described above; and
- Expenditures for transition and inauguration activities.

[General Statutes §§ 9-608(e)(1), 9-706; Regs., Conn. State Agencies §§ 9-706-2(a)(11) and 9-706-2(a)(13)]

VII. EXPENDITURES BY OUTSIDE SOURCES

The voluntary spending limits agreed to by CEP candidates is a core component of public financing. In addition, candidate committees of participating candidates may only receive a limited amount of personal funds provided by the candidate, small-dollar qualifying contributions, and grants from the CEF. Candidate committees of participating candidates cannot receive in-kind contributions from any other committees, and cannot benefit from non-independent (coordinated) expenditures made by other committees. However, there are several ways that outside sources, such as political committees and party committees, as well as entities such as corporations and labor unions, special interest groups, and individuals, may spend money to influence an election.

Participating candidates and treasurers are urged to take the time to understand these various types of expenditures. Expenditures from outside sources could qualify as impermissible in-kind contributions to the campaign, subjecting the candidate committee to penalties and other consequences. These types of outside expenditures typically fall into one of the following three groups:

1. ***Non-independent (coordinated) expenditures*** are expenditures made with the consent, coordination, or consultation of a candidate or an agent of the candidate but financed by another source. *Such non-independent coordinated expenditures qualify as contributions under Connecticut law*.
2. ***Organization expenditures*** are certain expenditures made by party committees, legislative caucus committees, or legislative leadership committees that benefit a candidate and are not considered contributions. *Because they are not contributions, receipt of organization expenditures will not cause participating candidate committees to exceed expenditure limits.*
3. ***Independent expenditures*** are those made by a person or entity without the consent, coordination, or consultation of, a candidate or agent of the candidate committee. *Truly independent expenditures are not coordinated expenditures, and thus are not contributions, and will not cause participating candidate committees to exceed expenditure limits*.

[General Statutes §§ 9-601(25), 9-601c, 9-718; Regs., Conn. State Agencies § 9-706-2]

A. Non-Independent (Coordinated) Expenditures

Participating candidates must be careful when working closely with groups or individuals that support them.

Collaborating on strategy or spending with supporters could result in the group or individual making a "coordinated expenditure" on behalf of a candidate committee, which constitutes a contribution and must be both from a permissible donor and within such donor's applicable contribution limit.

Coordinated expenditures are considered contributions under the law. In Public Acts No. 10-187 and 13-180, the General Assembly amended the definition of independent expenditures. These changes created a "rebuttable presumption" that expenditures

made in certain ways or by certain persons or groups are coordinated with the candidate. While the candidate committee could overcome this presumption by showing that an expenditure truly was independent, committees may be served best by understanding the scenarios that could invoke these presumptions.

The statute points out several instances where the Commission will presume that an expenditure made was not independent, including but not limited to where:

- The individual or group making the expenditure and the candidate committee benefiting from the expenditure share the same leadership or consultants;
- The individual or group makes an expenditure in cooperation with a candidate or committee or based on information received from the candidate or someone acting on behalf of the candidate about the candidate's plans or needs;
- The individual or group pays for political advertising or communications that uses material prepared by the benefiting committee or a consultant hired by the benefiting committee;
- The individual or group pays for fundraising affairs on behalf of a committee; and
- The individual or group pays for communications or advertising that clearly identify the candidate and the candidate or a representative of the candidate has been informed about the manner, contents, and target audience, among others, of the communication.

If an expenditure is coordinated by an individual or a committee with a candidate (or a candidate's agent) and payment or reimbursement is not made by the candidate committee within a reasonable time, the coordinated expenditure constitutes an in-kind contribution to that candidate's campaign. Committees of candidates participating in the Program may not receive in-kind contributions from any committees. If an expenditure is coordinated by a business entity, labor union, or any other type of entity or person that is not making the expenditure through a political committee established under Connecticut law, it is an impermissible contribution. The candidate, agent, and treasurer who participated in or had knowledge of the coordination are jointly and severally liable for paying any penalty levied by the Commission.

Important Note: Participating candidates who have established or control a political committee must be particularly mindful of that political committee's activities during the election cycle. A candidate may only establish one funding source for his campaign. A political committee established or controlled by an elected official or candidate for elected office, or his agent, may not make contributions to that official/candidate's candidate committee, whether the candidate is participating or not. There is a **strong** presumption that an expenditure by a political committee established or controlled by a candidate that benefits that candidate is coordinated and thus an impermissible contribution.

[General Statutes §§ 9-601(19), 9-601c, 9-604(c), 9-622(13), 9-702(c)(B) and (C), 9-706(b)(4); Regs., Conn. State Agencies § 9-706-2(b)(8)]

B. Organization Expenditures

General Assembly candidates may be eligible to receive or benefit from certain types of in-kind donations from legislative caucus committees, legislative leadership committees, or party committees called organization expenditures. Statewide candidates may receive the benefit of organization expenditures made by party committees; however, legislative leadership committees and legislative caucus committees may not make organization expenditures to benefit statewide candidates. An "organization expenditure" by a legislative caucus or legislative leadership committee or party committee is specifically exempted from the definition of "contribution" and "expenditure" for purposes of the campaign finance laws (and therefore do not affect a participating candidate's expenditure limits), but remains a reportable transaction for purposes of public disclosure by such committees making the organization expenditure.

Organization expenditures may be made for the following:

- The preparation, display, mailing, or distribution of a party candidate listing. A "party candidate listing" is a communication that (1) lists the name or names of the candidates, (2) is distributed through public advertising, direct mail, telephone, electronic mail, internet, or personal delivery, and (3) is made to promote the success or defeat of any candidate or slate of candidates seeking nomination for election or election, o for the purpose of aiding or promoting the success or defeat of any referendum question, or the success or defeat of any political party. Such communications cannot be a solicitation for on behalf of a candidate committee.
- Printed or electronic documents including party platforms, an electronic page providing merchant account services to be used by a candidate for the collection of online contributions, issue papers, information on Connecticut election law, voter registration lists, and voter identification information that a party, legislative caucus, or legislative leadership committee creates or maintains for party or caucus building and gives to candidates who are members of the same party;
- A campaign event at which a candidate or candidates are present. However, if an entry fee is charged for the campaign event or the event is a fundraiser for the sponsoring committee, the collected funds cannot be used as, or considered to be, qualifying contributions. If the participating candidate attends such an event, he or she may bring a treasurer or designated solicitor to collect qualifying contributions for the candidate committee in connection with his or her appearance;
- Advisors on campaign organization, financing, accounting, strategy, law, or media.

The Commission recommends that candidates, legislative leadership committees, legislative caucus committees, and party committees read the detailed definition of organization expenditures in General Statutes § 9-601(25).

Section 9-718 of the General Statutes sets forth the limits on the amount of organization expenditures that a town committee, legislative caucus committee, or legislative

leadership committee can make to benefit certain participating candidates. Such committees may make up to ***$11,420*** in organization expenditures on behalf of a participating candidate running for state senate for a general election campaign and up to ***$3,997*** for a participating candidate running for state representative for a general election campaign.

Party committees, legislative caucus committees and legislative leadership committees may not make any organization expenditures on party candidate listings for the benefit of participating candidates for General Assembly during a primary campaign.

The scope of what constitutes an organization expenditure is construed narrowly. Any committee authorized to make an organization expenditure should seek guidance from the Commission staff about whether the planned outlay of funds constitutes a permissible organization expenditure.

Committees making organization expenditures are subject to reporting requirements. The Commission will post a listing of all reported organization expenditures made for the benefit of General Assembly candidates on its website. See also **Chapter IX. Disclosure**.

[General Statutes §§ 9-601(2), 9-601(25), 9-608(c)(5) and (6), 9-718, Declaratory Ruling 2011-01]

Important Note: Only legislative leadership committees, legislative caucus committees, and party committees may make organization expenditures to benefit General Assembly candidates. Only party committees are permitted to make organization expenditures to benefit statewide candidates. No other types of committees, including political committees, may make organization expenditures.

C. Independent Expenditures

An independent expenditure is an expenditure that is made by a person without the consent, coordination, or consultation of, a candidate or agent of the candidate, candidate committee, political committee or party committee. Person is defined broadly in the law and includes an individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company or any other legal entity of any kind. An independent expenditure is *not* a "coordinated expenditure," and thus an independent expenditure does not count as a contribution to the candidate who receives the benefit of the independent expenditure.

It is recommended that candidates, treasurers, and campaign managers be familiar with the difference between independent expenditures and non-independent (coordinated) expenditures (as discussed above), and train campaign staff accordingly, to avoid impermissible coordination. If you have any questions about these issues, please contact our compliance team via your Elections Officer.

Important Note: Participating candidate committees that have received public campaign financing may ***not*** use committee funds to make an independent expenditure to benefit another candidate. A candidate committee can only make expenditures to promote the campaign of the candidate who established the committee.

[General Statutes §§ 9-601c, 9-607(g)(1), Regs., Conn. State Agencies § 9-706-2(b)(13)]

VIII. TREASURER'S RESPONSIBILITIES AND RECORDKEEPING

This chapter describes some of the treasurer's responsibilities, including required recordkeeping and documentation requirements for participating candidate committees.

A. Monitors and Authorizes Expenditures

The treasurer is responsible for monitoring compliance with the applicable expenditure limits. **Only the treasurer (or deputy treasurer in the treasurer's absence) may authorize and make expenditures on behalf of the committee**. All committee expenditures must be made by check, check card or debit card drawn on the committee's depository account. Committee checks must contain the committee's name.

Only the treasurer (or deputy treasurer in the treasurer's absence) may use the committee's check card or debit card. Committee credit cards are not permitted.

Important Note: Committee expenditures may not be paid through the use of gift cards. For example, a committee may not purchase a series of gift cards and pass them out to campaign workers in lieu of compensation.

Candidates, committee workers, and consultants have a duty to report all expenditures they make on behalf of the committee to the treasurer and provide the treasurer with documentation substantiating the expenditure (e.g., receipt, invoice, etc.).

Candidate committees are required to report all expenditures made or incurred. This includes each campaign expenditure made by the candidate from his personal funds. This disclosure is reported in Section O entitled "Campaign Expenses Paid by Candidate," of the SEEC Form 30. At the time of this disclosure, the candidate must indicate whether or not reimbursement is sought. Expenditures made by the candidate for which reimbursement is not sought count toward the participating candidate's personal funds limit. After receiving a grant, the candidate must be reimbursed for expenditures made for the committee. It is imperative that candidates report expenditures they make to the treasurer in a timely manner and seek pre-authorization.

[General Statutes §§ 9-606, 9-607, 9-702(a), 9-703]

B. Oversees and Authorizes the Deposits of All Monetary Receipts

All funds received by the committee must be deposited in the committee's single checking account within **twenty** days of receipt.

The treasurer must ensure that any funds or resources received by the committee are lawful and within the aggregate limits permitted under the campaign financing laws and Citizens' Election Program rules, and must maintain backup documentation to substantiate each contribution, including but not limited to copies of checks, contributor certification forms, and documentation to substantiate online contributions,. **Receipts that are either prohibited or otherwise in excess of the permissible limits set forth by law should not be deposited**. Rather, the treasurer should return them to the

donor within twenty days of receipt or by the filing deadline for transactions falling within the reporting period, whichever is earlier.

If the treasurer deposits a monetary receipt into the committee's account that is later deemed unlawful, the treasurer must report the deposit on the financial disclosure statement (SEEC Form 30) and refund the same amount without delay to the donor on a check drawn on the committee's checking account. Any such refund must be reported as an expenditure in Section N of the SEEC Form 30 using the "REF" Expenditure Code for that purpose. Wherever possible, such refunds should be made in the same reporting period as the funds were deposited. Similarly, if the committee has mistakenly received an in-kind contribution or coordinated expenditure, then it must disclose the amount and should contact their Elections Officer right away to discuss coming back into compliance with Program requirements, if possible.

Important Note: The committee should ***not*** refund any contributions or delete contributions from its disclosure statements after it has applied for or been awarded a grant. Please contact your Elections Officer if you have any questions about issuing refunds.

Once the treasurer has reviewed each contribution to make sure the contribution is from a permissible source and within the permissible limits, and the treasurer has prepared approved the contributions, has assured that they have the necessary copies and documentation then the treasurer may delegate to a committee worker or volunteer, or to the candidate, the ministerial duty of driving to the bank and making the deposit into the committee's depository account. While the treasurer may delegate the duty to drive to the bank or make the deposit, it is important to note that it is the treasurer who remains responsible for ***all*** committee receipts and expenditures.

Example 1 (permissible): The candidate, who has been designated a solicitor by the treasurer, goes door-to-door in her community to speak to potential voters and raise qualifying contributions. The candidate obtains contributor certification forms and receives contributions, and delivers all contributions, in the form received, to the treasurer within seven days after she receives them. After the treasurer has reviewed the contribution forms for compliance with source and dollar limits, has made copies of contributor checks for the committee's internal records, counted any cash and has prepared a deposit slip, the treasurer may delegate to the candidate the ministerial task of going to the bank and making the deposit into the committee's bank account.

Example 2 (*not* permissible): The candidate, who has been designated a solicitor by the treasurer, goes door-to-door in her community to speak to potential voters and raise qualifying contributions. The candidate obtains contributor certification forms and receives contributions, and goes to the bank at the end of the day and directly deposits the funds without any involvement by the treasurer. This is ***not*** permissible, as the candidate (or any other individual) may not act as the treasurer, and ***the treasurer may not delegate the treasurer's responsibility to receive, review, and approve contributions to the candidate or any other committee worker***.

If the funds received are in the form of a contribution which ***exceeds*** $50 in the aggregate and that contribution is not accompanied by a certification of the individual's status as a communicator lobbyist, an immediate family member thereof, or a principal of a state contractor or prospective state contractor then the treasurer must send to the contributor a request for that certification by certified mail, return receipt requested, ***within three business days*** after receiving the contribution. The treasurer cannot deposit the funds into the committee's checking account until the certification is received. If no certification is received within fourteen days after sending the written request or by the end of the reporting period in which the contribution is received (whichever is later), then the treasurer must return the contribution to the contributor. Sample contributor certification forms for use by participating candidates for Statewide Office or General Assembly are available at the Commission's website.

The candidate or treasurer may decide to return any funds received by the committee before the funds are required to be deposited.

[General Statutes §§ 9-606(a), 9-607(g)(2)(R), 9-608(c)]

C. Documents Payments for Work or Services

To substantiate any payment for work performed or services rendered by campaign staff or campaign professionals, the committee **must** require and maintain:

1. *A written agreement* signed before the performance of any work or services for which payment is sought or expected in excess of $100. This written agreement should be signed and dated and should set forth (a) the nature and duration of the *fee arrangement* and (b) a *description* of the scope of the work to be performed or services to be rendered; *and*
2. *Contemporaneous records* created at the time the work or service is performed, which set forth the time spent and a description of the work performed or services rendered.

Sample agreements are available on the Commission's website. ***Any payments inadequately substantiated by a written agreement and contemporaneous records could be found to constitute impermissible expenditures***. Contingency payments, including but not limited to payments contingent on a candidate's success or upon whether or not any money remains in the candidate committee's depository account as the election cycle winds down, are *prohibited* under the Program.

If the campaign modifies any of the terms of the agreement, then an amended agreement must be executed.

Important Note: Remember that participating candidate committees may not compensate the candidate or the candidate's or candidate spouse's extended family for campaign services. The candidate or the candidate's extended family may volunteer their services to the campaign and may also be reimbursed for permissible, authorized expenditures without running afoul of the law. *See* General Statutes § 9-607(g)(2)(L).

The law also permits the campaign of a qualified candidate committee to, following an election or unsuccessful primary, make a payment to a campaign treasurer for services rendered to the candidate committee without a contract in place beforehand, provided such payment does not exceed the lesser of $1,000 or the remaining surplus. Documentation describing the services rendered by the treasurer and the date(s) they were rendered must still be obtained and kept.

[General Statutes § 9-608(e)(1)(G); Regs., Conn. State Agencies §§ 9-607-1, 9-706-1, 9-706-2]

Important Note: It is required that the names of campaign workers and consultants providing services on behalf of the campaign be disclosed as direct or secondary payees. If the committee is using a service provider to assist with payroll in any way, it should contact its Elections Officer to ensure proper reporting of the arrangement. Please see the section on secondary payees at the end of this chapter.

D. Files Periodic Financial Disclosure Statements

The law requires the treasurer to file all of the committee's required financial disclosure statements. For more information on how and when to submit financial disclosure statements, see **Chapter IX. Disclosure**.

[General Statutes § 9-608(a)]

E. Appoints Solicitors

The only individuals who may receive contributions and donations on behalf of a candidate committee are the treasurer, deputy treasurer, and solicitors. The treasurer may appoint solicitors to help with fundraising. A solicitor is any individual (including the candidate) who is appointed by the campaign treasurer to receive, but not deposit or spend, funds or resources on behalf of the committee. Receiving funds is different than merely asking that donations be given to a committee. One who merely asks for donations to be transmitted to a committee, but who does not actually receive the contributions is not a solicitor. In contrast, a solicitor is someone who receives contributions on the committee's behalf.

See **Chapter III. Qualifying Contributions** for more information on solicitors and individuals who may not act as solicitors.

Important Note: The treasurer is responsible for training solicitors to comply with the relevant requirements regarding soliciting and accepting contributions.

[General Statutes § 9-602(a) and (b)]

F. Obtains and Keeps All Committee Records

Campaign treasurers of *all candidate and exploratory committees* must report all campaign activity and keep complete records of all receipts and expenditures reported on periodic campaign finance disclosure statements. Candidate committees of *participating candidates* must maintain detailed documentation of:

- Qualifying contributions and the return of non-qualifying contributions (see also **Chapter III. Qualifying Contributions**);
- The amount of expenditures (to remain within expenditure limits) (see also **Chapter VI. Campaign Expenditures**);
- The purpose of expenditures (grant money must be used for permissible purposes only); and
- Records to substantiate all expenditures, including but not limited to hiring, lease and service agreements, as well as rebates, credits, and refunds.

[General Statutes §§ 9-606(a), 9-608(a), 9-607, 9-704; Regs., Conn. State Agencies § 9-706-2]

THE COMMISSION RECOMMENDS that treasurers review their bank statements when preparing their financial disclosure statements to ensure that all transactions listed on the bank statement within the reporting period are disclosed in the corresponding financial disclosure statement and likewise, that all expenses listed in the financial disclosure statement are reflected on the corresponding bank statement.

1. Internal Records

The treasurer must retain internal records in order to substantiate all claimed permissible receipts and expenditures made by the committee, as well as bank records and documentation of fundraising events. For examples of types of such records, please see the Treasurer's Best Practices Checklist on "Records to Obtain, Copy, and Keep" at the end of this chapter.

Important Note: The Commission recommends that treasurers maintain copies of all records, in addition to the required set of originals, to submit in the event that the committee is subject to a post-election review or a complaint is filed against the committee.

If the candidate committee's bank does not provide copies of records, such as deposit slips, the treasurer must record and maintain all deposit information in order to create proper records. The treasurer must also obtain photocopies or electronic images of all committee checks written for committee expenditures.

These internal records must be kept for four years from the date on which the candidate committee's final campaign finance disclosure statement (SEEC Form 30) is required to be filed. Either the campaign treasurer or the candidate must maintain these records. Internal records also must be kept in support of each entry on the campaign's financial disclosure statements.

[General Statutes §§ 9-607(f), 9-712]

2. Contribution Records

To document all contributions received, the treasurer must maintain three general categories of records:

- *Copies of documentation for all contributions received*, including copies of checks and money orders, copies of completed and signed contribution certification forms, credit card contribution records, and deposit slips for all bank deposits.
- *All written or printed fundraising materials*, including a detailed record of each fundraising event (which indicates the date and location of the event) and a list of each contribution received at, or in connection with, the event.
- *Solicitor information*, including a list of all solicitors, and an accounting of the contributions received by each solicitor.

[General Statutes § 9-606]

The treasurer must account for and disclose all the funds received and deposited by the campaign, as well as all the expenditures made by the campaign.

Important Note: The treasurer is required to deposit in the campaign's depository account all funds received within twenty days of receiving them. Contributions that exceed $50 in the aggregate, however, must be accompanied by a certification form and may not be deposited until this is received.

[General Statutes §§ 9-606, 9-607, 9-608(c), 9-706; Declaratory Ruling 2007-03]

3. Qualifying Contribution Documentation

All qualifying contributions must be carefully documented in order for the Commission to review candidates' grant applications and to determine whether reported qualifying contributions are from permissible sources. The treasurer is responsible for demonstrating that all reported qualifying contributions meet the criteria for qualifying contributions.

To demonstrate that all claimed qualifying contributions are from permissible sources and in permissible amounts, candidates and campaign treasurers must collect and maintain, and produce to the Commission, backup documentation, including but not limited to copies of checks, money orders, check card, debit card and/or credit card contribution records, and contribution certification documentation for each cash, money order, and debit card and credit card contributions not made over the internet. The documentation must be *contemporaneously* created, which means it must be created and recorded at the time each transaction takes place.

[Declaratory Ruling 2007-03]

Maintaining accurate and well-organized records will help the campaign comply with Program requirements and will facilitate review of the candidate's grant application. Further, diligent recordkeeping and maintenance will aid the candidate and treasurer during any reviews that may occur pre- or post-election.

Most importantly, *the failure to maintain and/or provide these records may lead to a determination that any such undocumented contributions do not meet the criteria for qualifying contributions.*

The treasurer must also record and maintain all information needed to complete SEEC Form 30. For each contribution, this must include:

- The name and residential street address of the contributor;
- The method of contribution;
- The date the contribution was received;
- The amount of the contribution, as well as the aggregate contributions of the contributor, if applicable;
- The principal occupation of the contributor, and the name of employer (if the contributor is unemployed, retired, a student, or a homemaker, he or she must be reported as such); and
- Whether the contributor is a communicator lobbyist, a member of the immediate family of a communicator lobbyist, or a principal of a current or prospective state contractor (and the branch of state government the state contract is with, if applicable).

The treasurer should collect this information from contributors using one of the Commission's sample qualifying contribution certification forms (see below) or some other similar method that captures all of the information required by the Commission's sample forms.

Failure to maintain or to produce adequate internal records will result in a determination that the candidate committee is not eligible to receive a grant from the Citizens' Election Fund.

[General Statutes §§ 9-606(a), 9-607(f), 9-608(c)(3), 9-706; Regs., Conn. State Agencies § 9-706-1; Declaratory Ruling 2007-03]

4. Contribution Certification Documentation

a. Contribution Certification Forms

Any individual who makes a qualifying contribution that separately or in the aggregate exceeds $50 **must** certify as to whether he or she is a principal of a state contractor or prospective state contractor or a communicator lobbyist or an immediate family member of a communicator lobbyist.

Important Note: It is always illegal for a participating candidate's campaign to receive any contribution from principals of current or prospective state contractors, *regardless of dollar amount*. The treasurer should, therefore, collect certification forms even for contributions that do not exceed $50 in the aggregate. If a treasurer deposits a contribution based on a certification that is later determined to be false, the certification serves as a complete defense to any action, including a complaint investigated by the Commission for the treasurer's receipt of the contribution. In other words, the treasurer may rely on the contributor certification, and without one, the treasurer will be liable for receiving an illegal contribution.

b. Procedure for Contributions over $50 not Accompanied by State Contractor Certification

If a committee treasurer receives a contribution over $50 that does not include a state contractor certification, the treasurer shall:

1. Not later than three days after receiving the contribution, send the contributor a request for the certification by certified mail, return receipt requested;
2. Not deposit the contribution until the certification is received; and
3. Return the contribution to the contributor if the contributor does not submit the certification not later than fourteen days after the treasurer's written request or at the end of the reporting period in which the contribution was received, whichever is later.

[General Statutes § 9-608(c)(3)]

The Commission has prepared sample contribution certification forms which campaigns should use in order to collect *all* of the required information. The Commission **strongly recommends** that treasurers use the applicable sample form for all contributors (Form A for participating General Assembly candidates, Form B for participating statewide office candidates). The Commission has also created a sample online interface for credit card qualifying contributions. These samples are available on the Commission's website, http://www.ct.gov/seec.

The forms created by the Commission are designed to protect treasurers by providing for all of the information necessary to complete the required disclosure statements. The Commission **strongly recommends** that campaigns use its sample forms (or a form containing the same questions, definitions, and certifications). Failure to do so will likely result in continuances in grant application review and any committees changing the sample language issued by the Commission should therefore plan accordingly.

[General Statutes §§ 9-606(a), 9-607(f), 9-608(c)(3), 9-612(f), 9-613, 9-704(b) and (c)(3), 9-706(b)(3)]

c. Contribution ID Number

The contribution ID number is a unique number identifying each contribution and connecting the provided back-up documentation with the contribution listed on the financial disclosure statement.

On eCRIS, the contribution ID number is generated electronically once the user enters a contribution and must be recorded on the corresponding backup documentation.

Important Note: The Commission recommends inputting contributions immediately after receipt in a draft report in eCRIS and assigning an individual who is associated with the campaign and who can view draft reports in eCRIS to write the eCRIS assigned contribution ID number on the corresponding piece of backup documentation.

If your campaign uploads data to eCRIS, the Commission recommends performing the upload on the first day or two after the reporting period closes. Reporting right after the period closes will ensure that campaign workers with assigned roles in eCRIS will have sufficient time to note each eCRIS assigned contribution ID number and write that number on the corresponding piece(s) of backup documentation. If your campaign uploads data to eCRIS, keeping your backup documentation grouped by date received and then in alphabetical order by contributor's last name for that date will also help the campaign add eCRIS-assigned contribution ID numbers to the corresponding documents after an upload is completed and the report is "filed to State."

The contribution ID number enables both the treasurer and Commission staff to link each claimed qualifying contribution with the substantiating documentation. This enables timely and accurate review of applications for public funds. Qualifying contribution documentation lacking contribution ID numbers may delay review by Commission staff.

Helpful Tip: *If your campaign is scanning paper qualifying contribution documentation and saving the electronic images as PDFs to provide to the Commission, you can add the eCRIS-assigned contribution ID number as a header or footer on the PDF image, if you have not already written the contribution ID number on the paper copy prior to scanning.*

d. Documenting Cash and Money Order Contributions

Qualifying contributions in the form of *cash or money order* must be accompanied by a contribution certification form regardless of the aggregate amount received from the particular contributor.

Important Note: An individual may only contribute up to $100 in the aggregate by cash or money order.

Additionally, the treasurer must maintain a copy of each *money order or bank or cashier's check* received. For a money order to count as a qualifying contribution, both the money order and the contribution certification form must be filled out and signed by the contributor.

Do not copy cash that is contributed. On the bottom of the QC Cert Form the treasurer may, if desired, note the form of cash received (for example, "two ten dollar bills") and the date deposited, or other internal notes to track cash contributions.

Important Note: Cash contributions, like all contributions, must first be deposited and cannot be immediately spent.

[General Statutes §§ 9-606(a), 9-607(f), 9-706(b)(3); Declaratory Ruling 2007-03]

e. Documenting Check Contributions

Any contribution of more than $50 by check *must* be accompanied by the contributor's signed certification form that provides the contributor's information and the certifications discussed above.

All qualifying contributions in the form of *personal check* should be documented by a copy of the check, however, regardless of amount. If the qualifying contribution is being claimed as an in-state or in-district contribution, and the address pre-printed on the personal check does not match the individual's residential address, the Commission strongly recommends that the contributor be asked to complete a contribution certification form even if the aggregate contribution amount from the particular contributor is $50 or less. Always report in Section B of SEEC Form 30 the residential address reported on the certification form. In order for a contribution to be deemed a qualifying contribution, grant applicants must be able to substantiate that each contribution originated from the contributor, with his or her knowledge and intent.

The campaign treasurer should maintain copies of checks as internal records.

[Declaratory Ruling 2007-03]

f. Documenting Debit Card and Credit Card Contributions

Important Notes:

- If your committee plans to raise online contributions, please contact the Candidate Services Unit at 860.256.2985 to make sure you understand the process for online contributions ***before you begin*** *raising online contributions*.
- Failure to work with our staff before you begin raising online contributions may cause serious problems for your campaign, and in some instances may end up resulting in the candidate not being eligible to receive a grant.
- If you submit a grant application and have raised online contributions without previously working with Commission staff to make sure your online interface is compliant and your backup documentation is sufficient, your grant application review will be delayed.

There are two ways that committees can collect debit or credit card contributions:

1) In person via a device such as "the Square" or a mobile application.

Credit card contributions made in person are treated like cash and money order contributions. They should be accompanied by the paper contribution certification documentation. *See* Declaratory Ruling 2007-03. In addition, the vendor should provide you with a settlement report/spreadsheet obtained directly from the vendor (e.g. "Square") demonstrating the data collected. We strongly recommend that you notify your elections officer that you are planning to accept contributions via this method and that you have our staff review this information you will be receiving from the vendor ahead of time to ensure sufficiency.

2) Via the campaign website remotely when the website interface is set up to capture all the required information that would be requested on the paper certification form.

For debit or credit card contributions obtained via the campaign website, the committee must provide Commission staff with the following components:

- ***Online contribution interface*** (this is the link where each contributor provides information and certifications related to the online contribution)

- ***Transaction receipt*** (this is the contemporaneous email sent from the vendor or merchant account processor immediately after the contributor makes an online contribution, and includes the information provided by the contributor on the online interface)

- ***Settlement report/spreadsheet*** (this is typically an excel spreadsheet generated by the vendor/merchant account processor, containing all of the contributor information)

- ***Initial merchant account processor ("MAP") letter*** (this format letter must be provided once the online interface is deemed compliant by staff)

- ***Grant application MAP letter*** (this letter must be provided at the time of grant application, and must indicate whether any changes have been made to the online interface after staff deemed it compliant, and if so must identify any such changes and the time of such changes)

A contribution made over the Internet must be made directly to the candidate committee via credit or debit card. If the individual contributor is required to pay the additional fee charged by the merchant account processor, then payment of that fee is also considered part of the contribution.

Important Note: The most common reason that large numbers of contributions received online fail to qualify is the improper design of the online contribution website. The details of each field, as well as the certification language, is extremely important, and in some instances could lead to agency staff being unable to qualify online contributions.

As noted above, committees should contact their Candidate Services Liaison ***before*** beginning to collect online contributions to help ensure that proper information is collected at the time of the contribution in order that they properly qualify.

The best practice for your committee's online contribution page is to model exactly the field names and the certification language provided in the sample online contribution form provided on the Commission's website.

Selecting a Merchant Account Provider

The committee must select a merchant account provider (an entity in the business to authorize the processing of credit card transactions) that is able to comply with the requirements set forth in this section.

There are companies who have successfully demonstrated that they can build a compliant interface and provide committees with the necessary backup documentation. The Commission does not limit the companies that committees can utilize; however, if we do not already know the company can comply with the requirements, the committee will be responsible for getting the needed information on the new provider's processes and ability to comply well in advance of collecting contributions online.

Below we will detail the four steps, or components, which make up the complete package for an online webpage to collect debit or credit card contributions.

STEP ONE: Designing a Compliant Interface

The merchant account provider must be able to supply the committee with ***all*** of the above information as completed by the contributor on the online contribution form. The Commission has provided a sample interface for campaigns to copy. We have also posted sample forms created by companies that we have reviewed and approved in the past.

If a campaign chooses not to use these resources, then a treasurer ***must*** ensure that the system they choose receives and adequately records the following information from the individual contributor:

1. Full name of the individual making the contribution;
2. Residence home address, zip code and telephone number of contributor;
3. Billing address on record with card issuer (if different than residence address) or the last four digits of the credit card;
4. Individual's email address;
5. Amount of contribution;
6. Certification as to whether a contributor is a communicator lobbyist, or member of the immediate family of a communicator lobbyist, for contributions that separately, or in the aggregate, exceed $50 (best practice is to obtain it at all amounts);
7. Certification that contributor is not a principal of a state contractor or prospective state contractor for contributions that separately, or in the aggregate, exceed $50 (best practice is to obtain it at all amounts);
8. Principal occupation, if individual's aggregate contributions to the committee exceed $50 (best practice is to obtain it at all amounts);
9. Name of employer, if individual's aggregate contributions to the committee exceed $50 (best practice is to obtain it at all amounts);
10. Age of the contributor (should be asked as "18 or older," "12-17," "Under 12");
11. Contributor must affirm the statement: "I certify that this contribution is made on my personal credit card for which I have a legal obligation to pay and intend to pay from my own personal funds, is not being reimbursed in any manner, is not being made as a loan, is not an otherwise prohibited contribution, and that

payment on this card is not made from the funds of a corporation, labor organization or any other entity"; and

12. Contributor must affirm the statement: "I am either a United States citizen or a foreign national with permanent resident status in the United States."

Important Note: Committees collecting contributions online must provide contributors with a link to the **definitions** pertaining to the lobbyist and state contractor provisions.

The Commission ***strongly*** recommends that treasurers *follow this link to the Commission's sample online interface for credit card qualifying contributions*.

We also urge you to request a compliance review of your online contribution site by Commission staff *before* the site is activated.

STEP TWO: Transaction Receipts

Each committee must promptly send confirmation of each credit card contribution received through the Internet to the contributor by electronic mail to the individual's email address. A copy should also go to the committee, or be available through the merchant's site, and these receipts will need to be printed and treated like the contributor's paper certification card at grant application or post-election review.

The Commission strongly recommends that the campaign choose a merchant account provider that produces receipts showing the contributor's answers to all the questions asked via the compliant interface.

STEP THREE: Settlement Report (Spreadsheet)

Committees must also be able to provide proof from the merchant account provider that the contributor affirmatively checked off the required statements and certifications via a spreadsheet from the merchant account provider or the committee's account with them.

The committee is required to keep the details of each transaction provided by the merchant account provider or payment gateway and to ensure that the Commission is able to review all such records (whether held by the committee, merchant account provider or payment gateway on behalf of the committee), including the affirmation provided in the contribution certification form that a personal credit card is being used, the certifications regarding status and employer, and information regarding the cardholder's name, residential and billing address.

STEP FOUR: Merchant Account Provider "MAP" Letter

The committee treasurer, webmaster or the merchant must complete the templated MAP letter at the start of the committee's collecting of online contributions to signify that the site has been provided to staff to review and meets all the necessary requirements of a compliant site.

Specifically, the MAP letter must confirm that the merchant account provider is able to keep the campaign's contributions in a separate, unique (not shared or pooled) merchant account.

The letter should also identify when a contributor is blocked from the site and cannot click through to make a donation. For example, it should be specified in the MAP letter

if the site is set up so that any potential contributor indicating that they are a state contractor is prevented from donating.

Likewise, at the time of grant application, the committee treasurer, webmaster or merchant must complete the templated Grant Application Letter to certify that no changes were made to the web interface between when the site was first reviewed and the grant application (i.e. the entire time the committee collected contributions online.)

Failure to provide all of these records will create a presumption that any such contributions are not qualifying contributions.

Reporting Contributions Received Online

The committee will report the entire (gross) amount of the contribution (contribution plus the fee to go to the provider) in **Section B: Itemized Contributions by Individuals**. The spreadsheet export from the company can be assimilated to the upload template so treasurers can batch input these contributions. Call the eCRIS Helpdesk at 860-256-2930 for guidance if you have trouble finding the upload template or issues uploading your information.

The fees charged (typically per transaction) by the merchant should be reported in **Section N: Expenses Paid by Committee**. Use the purpose of expenditure code, "BNK," as these are money processing related charges. The charges should be reported as a lump sum on a quarterly or monthly basis.

Date of Receipt: Contributions made by credit card shall be deemed received by the committee on the date that the contributor completes the transaction, unless a no charge decision is made within twenty days of the transaction or by the filing deadline for transactions falling within the reporting period, whichever is *earlier*. A no charge decision within such time relieves the committee treasurer of any responsibility for reporting the transaction. A committee receiving contributions by credit card must report the full (gross) amount of each contribution before the payment of any fees or deductions to any third party.

The committee's treasurer is responsible for preserving all records of each credit card contribution for the period of four years from the date of the termination filing.

Important Note: Committees should ensure that all online contributions received through the committee's website have been ***transferred*** into the committee's checking account before applying for a grant.

[General Statutes §§ 9-606(a), 9-607(f), 9-706; Declaratory Ruling 2007-03]

g. Treasurer's Best Practices Checklist: Qualifying Contributions

For Every Qualifying Contribution:

- ☐ Committees planning to receive online contributions are ***strongly encouraged*** to contact their candidate services liaison before making the online contribution link live or ***before*** receiving any such online contributions.

- ☐ Contributions must be monetary and donated by individuals in amounts no less than $5 and no greater than $100 (statewide office) / $250 (General Assembly).
- ☐ Obtain a completed qualifying contribution certification form ("QC Cert Form") signed by the person making the contribution for every contribution. The certification forms can be found on the Commission's website, http://www.ct.gov/seec. There are several certification forms so be sure you are using the appropriate form for your committee.
- ☐ Assign a **unique sequential identifying number** ("contribution ID number") to each contribution, even if the contribution was provided by an individual who had previously made a contribution. For eCRIS filers, contribution ID numbers are automatically assigned to each contribution reported. For paper filers, the treasurer must assign the contribution ID number to each contribution. **Mark the contribution ID number on each QC Cert Form or copy documenting that contribution.**
- ☐ Photocopy or scan and keep a copy of all contributions made by personal check, money order, bank/cashier's check, debit or credit card.
- ☐ Mark the Contribution ID number on the accompanying photocopied or scanned documentation (such as a copy of a money order) for each qualifying contribution.
- ☐ Ensure that the contribution ID number on the QC Cert Form and copied documentation matches the contribution ID number entered into the itemized contributions section (Section B) of SEEC Form 30.

Documenting "In-District" or In-State Qualifying Contributions:

- ☐ If the QC Cert Form lists a Post Office Box address, obtain a new QC Cert Form that lists the contributor's residential address.
- ☐ If a contributor has recently moved into a town in the district or state (as applicable) and the address pre-printed on the personal check does not match the individual's residential address, ensure that you have a QC Cert Form from the contributor that has the proper address.
- ☐ Report the residential address for each contributor in Section B of SEEC Form 30 (unless the contributor has provided an alternative address and is either admitted into the Address Confidentiality Program pursuant to General Statutes § 54-240(a) or has a protected address status articulated in General Statutes § 1-217)). If the residential address on the personal check does not match the residential address listed on the signed QC Cert Form, report the address from the QC Cert Form in Section B.

Documenting Contributions from Individuals:

- ☐ Check and accompanying QC Cert Form should be signed by the same individual.
- ☐ Individuals with joint checking accounts who are making contributions may sign their own separate checks, both sign the signature line of a joint check, or have one of the joint account holders sign the contribution check. The QC amounts must be allocated in accordance with the accompanying QC Cert Forms.

- ☐ Only *personal* checks may be accepted. Contributions must be from individual human beings or sole proprietorships, and not from the checking accounts of businesses (including trusts).

Certifications whether the Contributor is a Communicator Lobbyist and that he is not a Principal of a State Contractor:

- ☐ While contributions of up to $100 are permitted from individuals who are communicator lobbyists or members of the immediate family of a communicator lobbyist when the General Assembly is not in session, the lobbyist status of such contributors must still be reported. When the legislature is in session, the sessional ban applies and communicator lobbyists may not make contributions of any amount to, or solicit for, General Assembly or statewide office candidates.
- ☐ Contributions in any amount from principals of current or prospective state contractors are not qualifying contributions and are prohibited.
- ☐ Indicate on SEEC Form 30 for each itemized contribution ***at every dollar amount*** whether or not the contributor is a communicator lobbyist, member of such a lobbyist's immediate family, or a principal of a current or prospective state contractor.
- ☐ **If the treasurer does not check off the principal of a state contractor box for any contributor in Section B of SEEC Form 30, that contribution will not count as a qualifying contribution**. The best practice is therefore to obtain a QC Cert Form from every contributor at the time of each contribution.
- ☐ If the contribution is *over $50 in the aggregate*, the treasurer ***must*** obtain a QC Cert Form from the contributor. Again, the best practice is to obtain a QC Cert Form from every contributor at the time the contribution is made (so if an individual contributes $50 one week and $50 a week later, the contributor should complete a QC Cert Form two times); otherwise, the treasurer will be held strictly liable in the event the committee receives and deposits a contribution from a principal of a current or prospective state contractor.
- ☐ If the treasurer has not received a QC Cert Form for a contribution over $50, do not deposit the contribution and send a request for the QC Cert Form to the contributor not later than three business days after having received the contribution.
    - Send the request for the QC Cert Form by certified mail, return receipt requested.
    - Do not deposit the contribution until the QC Cert Form is in hand.
    - If the treasurer does not receive a QC Cert Form after the mailed request, return the contribution to the contributor by the *later* date below:
        - Fourteen days after the written request; *or*
        - The end of the reporting period in which the contribution is received.

5. Expenditure Documentation

a. Expenditure Records

Connecticut campaign finance law requires treasurers to obtain and maintain internal contemporaneous records in order to substantiate all claimed permissible expenditures to be paid from committee funds. If reviewed by the Commission as part of its post-election review process or in response to a complaint, committees may be asked to submit such documentation to substantiate all expenditures. **Remember: The committee may only have a single depository, all transactions must go through that depository, and all items on the bank statement must be reported on the SEEC Form 30.**

Important Note: Invoices and receipts should be generated at the time the transaction occurs or the service is provided.

Examples of expenditure records include, but are not limited to:

- Invoices;
- Receipts and invoices which contain a description of items purchased;
- Receipts for purchases made, including check card and debit card slips or receipts and personal credit card receipts, when reimbursable expenditures are made;
- Committee checks drawn on the designated depository account ("cashed" or cancelled checks);
- Bank statements (showing payees for purchases by check card, debit card or electronic funds transfer);
- Personal credit card statements for the purposes of reimbursement;
- Order verifications, purchase orders, documents describing expenditures incurred but not yet paid, leasing agreements;
- Travel itineraries or journal entries for the candidate and campaign workers for permissible campaign-related travel;
- Written receipts supporting any request for reimbursement of treasurer-authorized campaign expenses paid by a committee worker or the candidate; and
- For payments for work or services provided by campaign staff or professional personnel which will exceed $100, a contract signed before any services are performed, and periodic bills setting forth the amount of hours billed by the service provider, and a description of the services provided;
- Notes or other documentation to demonstrate how the committee determined its proportional (*pro rata*) share for any joint expenditures made with other committees.

Important Note: The Commission recommends that treasurers double-check all expenditures reported in their financial disclosure statements against the accompanying documentation to ensure the accuracy of the amount reported.

[General Statutes § 9-607(f), (j), and (k); Regs., Conn. State Agencies § 9-607-1]

b. What is "Contemporaneous Detailed Documentation"?

As explained in this chapter, the treasurer must keep "contemporaneous detailed documentation" regarding all committee expenditures.

Contemporaneous detailed documentation means documentation that was created at the time of the transaction demonstrating that the qualified candidate committee's expenditure was campaign-related and made to directly further the participating candidate's nomination or election. Contemporaneous detailed documentation shall include but not be limited to the documentation described in General Statutes § 9-607(f).

[General Statutes § 9-607(f); Regs., Conn. State Agencies § 9-706-1(b)]

Example, *Wright does it right*: Treasurer Wright agrees with participating candidate Johnson's suggestion that the committee purchase five 30-second announcements on WCAN Radio. Wright orders the broadcast spots, and receives a dated invoice on WCAN's letterhead describing the amount of time purchased, the cost of that unit of time during the 5:00 p.m. weekday commuter hour, the total cost of the purchase, and the title of the recorded advertisement, "Vote for Candidate Johnson". Three days later, the treasurer scans and saves the invoice, pays the radio station in full using a committee check and notes the check number, date of payment, payee, purpose of the payment, and invoice number in the committee's electronic checking account register.

c. Documenting Payments to Personnel for Work or Services

To substantiate any payment for work performed or services rendered by campaign staff or professional personnel, the committee **must** require and maintain:

1. *A written agreement* signed before the performance of any work or services for which payment is sought or expected in excess of $100. This written agreement should set forth (a) the nature and duration of the *fee arrangement*, and (b) a *description* of the scope of the work to be performed or services to be rendered; *and*
2. *Contemporaneous records* created at the time the work or service is performed, which set forth the time spent and a description of the work performed or services rendered.

Sample agreements are available on the Commission's website. ***Any payments inadequately substantiated by a written agreement and contemporaneous records could be found to constitute impermissible expenditures***. Contingency payments, including but not limited to payments contingent on whether the candidate gets a grant, are *prohibited* under the Program.

Important Note: Remember that participating candidate committees may not compensate the candidate or the candidate's or candidate spouse's extended family for campaign services. The candidate or the candidate's extended family may volunteer their services to the campaign and may also be reimbursed for permissible, authorized expenditures without running afoul of the law. *See* General Statutes § 9-607(g)(2)(L).

Post-election bonuses are prohibited. However, a qualified candidate committee may, following an election or unsuccessful primary, distribute surplus to the campaign treasurer for services rendered to the candidate committee, provided such payment does not exceed the lesser of $1,000 or the remaining surplus. Documentation describing the services rendered by the treasurer and the date(s) they were rendered must still be obtained and kept.

Important Note: It is required that the names of campaign workers and consultants providing services on behalf of the campaign be disclosed as direct or secondary payees. If the committee is using a service provider to assist with payroll in any way, it should contact its Candidate Services Liaison to ensure proper reporting of the arrangement.

[General Statutes § 9-608(e)(1)(G); Regs., Conn. State Agencies §§ 9-607-1, 9-706-1, 9-706-2]

d. Form of Payment for Committee Expenditures

1. *Checks*

The recommended form of campaign expenditures is by committee check, check card or debit card through the candidate committee's sole depository institution. Expenditures made by check simplify internal recordkeeping, campaign finance disclosure reporting, and reduce unnecessary advances or petty cash expenditures.

Only the treasurer or deputy treasurer in the treasurer's absence may use the committee debit card for campaign purchases and must obtain and keep all receipts for purchases made with the debit card.

Committee credit cards are not permitted.

[General Statutes §§ 9-607(e), 9-710(a)]

2. *Petty Cash*

Expenditures of $50 or less may be made in cash, but only from a single petty cash fund kept by the treasurer, and then only from proceeds originally deposited into the depository account. The treasurer may replenish the petty cash fund from time to time, provided that the total balance of the fund may never exceed $100, and provided further that the fund is not replenished more than twice in any seven day period. All cash expenditures must be carefully documented and receipts for each purchase must be obtained.

[Regs., Conn. State Agencies § 9-706-2]

e. Reimbursements to Consultants, Committee Workers, and Candidates

A consultant, committee worker, or candidate may be reimbursed by the committee if the following conditions are satisfied:

1. The treasurer authorized the expenditure;
2. The consultant, worker, or candidate has made the expenditure on behalf of the committee from his or her own personal funds;
3. The consultant, worker, or candidate provides the treasurer with a written receipt from the vendor proving payment by the worker or candidate;
4. The expenditure is for the lawful purpose of the committee; and
5. The expenditure is not a contribution to any other committee.

An expenditure from a *committee worker*'s own funds that is not reimbursed within a reasonable time constitutes an impermissible in-kind contribution. The Commission has stated that 45 days is generally a reasonable amount of time. Moreover, once a candidate committee receives funds from the Citizens' Election Program, no other contributions may be accepted. Consequently, an unreimbursed or untimely reimbursed advancement of funds by a committee worker violates Program requirements.

Important Note: Certain *de minimis* expenditures are not considered in-kind contributions if not reimbursed, as they are exempt from the statutory definition of contribution. Please contact your Candidate Services Liaison with any questions about the exemptions from the definition of contribution.

A committee expenditure made by the *candidate* from his own funds that is not reimbursed within a reasonable time constitutes the provision of personal funds, and counts toward the candidate's personal funds limit. Once a candidate committee receives funds from the Citizens' Election Program, the candidate cannot provide any personal funds. Consequently, an unreimbursed or untimely reimbursed advancement of funds by the candidate may violate Program requirements.

Treasurers must carefully document all reimbursements, and must maintain receipts received from the individuals who made purchases for the committee from their personal funds. The worker or candidate seeking reimbursement or consultant being paid under contract **must** provide the treasurer with a detailed accounting of the expenditure (including the vendor(s) paid, date, amount, and description of purchases) so that the treasurer may include the expenditure in the financial disclosure statement (SEEC Form 30) and itemize the vendor(s) paid. The Commission recommends that treasurers use a reimbursement voucher to keep track of all advances.

Important Note: A reimbursement made to a candidate or committee worker or consultant must be reported in **two** sections of the SEEC Form 30: (1) as an expense paid by the committee, in Section N, with the candidate/committee worker or consultant listed as the payee, together with the expenditure code, "RMB"; **and** (2) in Section O (if paid by the candidate) or in Section R (if paid by a committee worker or consultant) listing the vendor paid by the candidate or committee worker or consultant as the "secondary payee". Please see the SEEC Form 30 instructions for more information.

If the candidate/committee worker or consultant is not paid in the filing period in which he made the expense, the reimbursement owed him would get reported as an expense incurred in Section Q and his underlying payment in Section O (if paid by the candidate) or in Section R (if paid by a committee worker or consultant).

[General Statutes §§ 9-601a(b), 9-607(g)(2)(O) and (j); Regs., Conn. State Agencies § 9-706-2]

f. Disclosure of Secondary Payees

If a committee hires a consultant, and the consultant has made any payments to a vendor (such as for media advertising) as part of the contract with the committee, the consultant should provide details of the payments to the treasurer as such subvendor(s) (secondary payees) are required to be disclosed in Section R of SEEC Form 30.

Example: The Sam for Senate candidate committee contracted with Campaign in a Box, LLC for consulting services, paying the company $2,000 to provide general campaign strategy and to put together a direct mailer and a radio advertisement. Campaign in a Box, LLC prepared the content of the mailer and radio ad and then paid $1,000 to Political Advertising Warehouse for the mailer and $500 to WXYZ Radio for the radio ad. The Sam for Senate candidate committee must report the $2,000 payment to Campaign in a Box, LLC in Section N of SEEC Form 30 and the secondary payments to Political Advertising Warehouse and WXYZ as separate entries in Section R of SEEC Form 30.

This disclosure is not optional. We strongly recommend that treasurers use the language provided in our sample fee arrangement forms, which puts anyone you hire on notice that they are required to provide you with secondary payee information. If you make them agree to provide this as part of your contract/agreement, and make sure that they are in fact providing you with the required underlying information, this will help your committee be in compliance. The treasurer is ultimately liable if campaign funds are not spent to directly further the candidate's campaign, and the candidate's reputation is at stake if something goes awry or if the disclosure lacks sufficient transparency to demonstrate campaign funds were used for lawful campaign expenditures.

Important Note: Since the treasurer is ultimately responsible for making permissible expenditures under the law, treasurers should take care not to delegate their authority to a consultant or campaign worker, and should carefully review all invoices and documents provided by any consultant, in a timely manner, to minimize the chance of any continuing issues.

[General Statutes § 9-608(c)(1)]

TREASURER'S BEST PRACTICES: RECORDS TO OBTAIN, COPY, AND KEEP

This chart is intended only as a guide. Treasurers are advised to refer to the specific statutory provisions, regulations, declaratory rulings, and advisory opinions mentioned in this chapter.

BANK RECORDS	• Bank statements • Canceled committee checks • Deposit slips or tickets • EFT transaction slips • Copies of electronic banks statements • Interest paid or fees charged
FUNDS RECEIVED BY COMMITTEE	• Contribution checks, money orders (photocopies or electronic images) • Signed qualifying contribution certification forms • Copy of treasurer's letter, return receipt requested, for contributor certifications not provided • Transaction receipts for contributions made by credit or debit card • Details of each credit card contribution transaction from merchant account provider or payment gateway • Loan agreements and guarantor agreements (permitted from financial institutions only) • Receipts for sale of surplus equipment and record of how fair market value was determined
EXPENDITURES	• Compensation agreements created before hiring staff • Records showing time worked for consultants or committee staff • Itemized secondary payments consultant has made to vendors on behalf of committee • Cash register receipts for purchases • Debit card slips and statements for every committee purchase/expenditure • Invoices and bills • Written receipts in support of requests for reimbursement (dated, showing items, amount) • Documents describing expenditures incurred but not yet paid • Rental or lease agreements for real or personal property • Written account of all petty cash disbursements • Notes or documents to substantiate proportional share of joint expenditures
FUNDRAISING & MISC.	• Names and addresses of all individuals appointed as solicitors • Lists from solicitors with contributor info for all contributions collected or promised • Detailed information for each fundraising event including date, time, and location • List of each contribution received at or in connection with each event • Fundraising event tickets, invitations, programs, and advertising • Document provided by house party host(s) with amount and description of their donation • Receipt for candidate's attendance fee for community event (up to $100), copy of invitation to same (if available) • Written agreement with other committee(s) for allocating joint expenditures • Copy of documentation provided by party, legislative leadership committee or legislative caucus committee describing organization expenditures • Travel itineraries (campaign travel)

IX. DISCLOSURE

Campaigns must file campaign finance disclosure statements and maintain and furnish upon the Commission's request detailed documentation of campaign activity, including contributions and expenditures. Accurate and timely disclosure is critical. First, it enables the Commission staff to determine whether each grant applicant qualifies to receive a grant (including an initial grant and any applicable additional grant funds). Second, disclosure enables the Commission staff to oversee compliance with the Program requirements. Third, disclosure serves the Program's goals of transparency and accountability in the election process, as disclosure enables the public, other candidates, and the media to observe who contributed to various campaigns and how candidates spend their money.

A. Reporting Calendar and Filing Deadlines

All candidate committees of participating candidates are required to file periodic campaign finance disclosure statements using SEEC Form 30. Treasurers of participating candidates' committees should follow the instructions for SEEC Form 30.

The treasurer must file a financial disclosure statement for receipt by the Commission on the following deadline dates (depending on the date of inception of the committee): the 10th day of January, April, July and October. There are also post-primary and post-election filing deadlines. In addition, *treasurers of **all** candidate committees in a race in which there is at least one participating candidate must file weekly* supplemental statements [for most candidates, SEEC Form 30] with the Commission, beginning a few weeks before the primary or election. *With the exception of 24 or 48 hour Declaration of Excess Expenditures* (described below), if a filing deadline falls on a Saturday, Sunday or legal holiday, the statement shall be due on the next business day.

A more specific filing calendar is available from the Commission and is posted on its website.

Important Note: As the committee approaches its fundraising goal, the treasurer should continue inputting information into the eCRIS report for the next chronological quarterly filing (July 10 Filing, October 10 filing, etc.). Once the committee has achieved the required contribution threshold (plus an adequate buffer amount) and is ready to apply, the treasurer can change the report from the quarterly filing to the "Itemized Statement Accompanying Application for Public Grant." The "Itemized Statement Accompanying Application for Public Grant" will cover the first day after the committee's last completed filing through the present day, and the treasurer can make any adjustments to the end date as necessary. For assistance, please call the Candidate Services Unit at 860-256-2985.

This statement must be submitted at some time during the filing period, which begins at the conclusion of the reporting period and ends on the filing deadline date. For example, the July 10th reporting period ends June 30, so that statement can be filed any time between July 1 and July 10. Statements filed electronically by eCRIS are timely if transmitted to the Commission not later than 11:59 p.m. on the deadline date.

For the 2018 cycle, all candidate committees and exploratory committees of candidates running for statewide office or General Assembly that raise or spend over $1,000 are required to file electronically through eCRIS.

[General Statutes §§ 9-608, 9-675 (as amended by P.A. 16-203)]

B. Declaration of Excess Expenditures Statement

Participating candidates are prohibited from incurring or making expenditures in excess of their applicable expenditure limit. Nonetheless, should the candidate committee of a participating candidate make or incur expenditures that, in the aggregate, exceed 100% of the applicable expenditure limit for the primary or general election period, as the case may be, the campaign treasurer for that candidate committee must file a Declaration of Excess Expenditures with the Commission. Please see the Applicable Expenditure Limits tables below.

To file such declaration, select "Declaration of Excess Expenditures" and "Primary" or "Election" from the Non-Standard Report drop-down menu. The declaration of excess expenditures statement must include all financial activity of the candidate committee beginning the first day not covered in the last filed disclosure statement and ending as of 11:59 p.m. of the day immediately preceding the required filing day. The deadline for filing such statement depends on when the triggering event occurs in relation to the primary or election date.

Declarations of excess expenditures must be *filed with and received by* the Commission by the applicable deadline, as set forth above, *even if that deadline falls on a weekend or legal holiday*.

1. 48 Hours

If the excess expenditure exceeding 100% of the participating candidate's applicable expenditure limit is made or incurred more than 20 days before the primary or election day (i.e., on or before July 24, 2018 for the Primary or on or before October 16, 2018 for the General Election), a declaration of excess expenditures must be *filed with and received by* the Commission no later than 48 hours after the excess expenditure is made or incurred.

2. 24 Hours

If the excess expenditure is made or incurred 20 days or less before the primary or election day (i.e., on or after July 25, 2018 for the Primary or on or after October 17, 2018 for the General Election), a declaration of excess expenditures must be *filed with and received by* the Commission no later than 24 hours after the excess expenditure is made or incurred.

Note that nonparticipating candidate committees are no longer required to complete excess expenditure statements, regardless of how much they spend or incur.

[General Statutes § 9-712(a)(3)]

3. Excess Expenditure Triggers

a. Participating Candidates in the Primary

Nomination Sought in Primary	**100% of Applicable Expenditure Limit**
Governor	$1,500,000
Lieutenant Governor	$450,000
Secretary of the State, State Comptroller, State Treasurer, Attorney General	$451,600
State Senator	$50,300
State Senator – Party-Dominant District	$90,300
State Representative	$15,100
State Representative – Party-Dominant District	$30,100

[General Statutes § 9-712]

b. Participating Candidates in the General Election

Office Sought in General Election	**100% of Applicable Expenditure Limit**
Governor	$6,250,000
Secretary of the State, State Comptroller, State Treasurer, Attorney General	$826,600
State Senator	$100,300
State Representative	$30,100

[General Statutes § 9-712]

4. Penalties for Exceeding Expenditure Limits

Spending limits represent an essential part of a successful public campaign financing system. Participating candidates and treasurers who exceed the Program's expenditure limits may face serious penalties for their violations.

[General Statutes § 9-711]

C. How to File Weekly Supplemental Statements

All candidate committees in a race with at least one participating candidate MUST file weekly supplemental statements close in time to primary date (if applicable) or election day. If you are required to file the weekly supplemental statements you will NOT be required to file the 7th day preceding primary report (if applicable) or the 7th day preceding election report. The deadlines for filing weekly supplemental statements for a primary or general election are as follows:

Weekly Supplemental Statements for Candidates in a Primary

Name of Report	Period Covered	Filing Deadline
First Weekly Supplemental	7/1/18 through 7/17/18	July 19, 2018
Second Weekly Supplemental	7/18/18 through 7/24/18	July 26, 2018
Third Weekly Supplemental	7/25/18 through 7/31/18	August 2, 2018
Final Weekly Supplemental	8/1/18 through 8/7/18	August 9, 2018

Weekly Supplemental Statements for Candidates in the General Election

Name of Report	Period Covered	Filing Deadline
First Weekly Supplemental	10/1/18 through 10/16/18	October 18, 2018
Second Weekly Supplemental	10/17/18 through 10/23/18	October 25, 2018
Final Weekly Supplemental	10/24/18 through 10/30/18	November 1, 2018

Important Note: A participating candidate who is in unopposed in the underlying race is only required to file the final weekly supplemental statement.

[General Statutes § 9-712; Regs., Conn. State Agencies § 9-712-1]

D. Organization Expenditure Disclosure Requirements

An *organization expenditure* is a specific type of payment made to benefit statewide office or General Assembly candidates by a party committee or to benefit General Assembly candidates by a legislative caucus committee or legislative leadership

committee. An organization expenditure is not a contribution or expenditure under Connecticut law, but nevertheless some reporting requirements apply.

When a legislative caucus committee, legislative leadership committee or party committee makes an organization expenditure to benefit a candidate as described above, the treasurer of the committee making the organization expenditure must report it on itemized campaign finance disclosure statements (SEEC Form 20) *and* expeditiously and contemporaneously notify the candidate committee that the organization expenditure has occurred.

The committee of the participating candidate that has received the benefit of an organization expenditure is no longer required to report the receipt of organization expenditures in its campaign finance disclosure statements. Such benefiting committees should, however, retain a copy of the notice received from the expending committee that made the organization expenditure on its behalf.

The Commission will post a link on its home page to a listing of all reported organization expenditures reported by a party, legislative leadership, or legislative caucus committee, including the committee making the expenditure, the committee receiving the expenditure, and the date and purpose of the expenditure, as reported by the expending committee.

[General Statutes §§ 9-601(25), 9-601a(b)(16), 9-601b(b)(8), 9-608(c)]

E. Expenses Incurred but Not Paid

Each expense incurred by the treasurer, candidate, or authorized agent of the committee but not yet paid must be **separately itemized** in the same manner as expenditures paid, including the disclosure of any secondary payees. Expenses incurred but not paid are reported in Section Q, "Expenses Incurred by Committee but Not Paid During this Period." The obligation to report expenses incurred arises when the committee enters into a written contract, promise or agreement to make an expenditure or when goods or services are delivered.

[General Statutes § 9-601b(c)]

Example 1: Committee A's treasurer orders lawn signs on September 30. Because September 30 is also the end date for the period covered in the committee's next quarterly disclosure statement, the treasurer reports in Section Q the amount of the lawn sign order as an expenditure incurred but not yet paid.

Example 2: Committee B's treasurer signs a contract for advertising on August 1. The treasurer receives an invoice on August 15 and pays the advertising firm in full on September 30, reporting the payment in Section N of the next quarterly disclosure statement, which covers the period from July 1 through September 30. In this example, no reporting in Section Q for this incurred expense is needed because it was paid in the same period as it was incurred.

If a committee incurs an expense but will not know the actual cost until it receives an invoice at a later date, it should still report the expenditure incurred in Section Q in the period in which it was incurred and provide a good faith **estimate** of the amount.

X. Termination of the Committee: Distribution of Surplus and Elimination of Deficits

A. Termination of Exploratory Committees

1. Triggering Events Requiring Dissolution

There are several triggering events that necessitate the dissolution of an exploratory committee:

- Candidate makes a public declaration of his/her intent to seek nomination or election to a particular public office; OR
- Candidate receives endorsement for a particular public office at a convention, caucus or town committee meeting; OR
- Candidate files candidacy for nomination under Section 9-400 or 9-405 of the General Statutes (forcing a party primary); OR
- Candidate decides, before any triggering event mentioned above, to terminate the exploratory committee and form a candidate committee for a particular public office in the same election cycle.

Important Note: For more information on what constitutes a public declaration, please see Declaratory Ruling 2009-01: "Public Declarations by Candidates in an Exploratory Committee," available at the Commission's website, www.ct.gov/seec.

The candidate must file an Exploratory Committee Notice of Intent to Dissolve (SEEC Form 5) with the Commission within 15 days of any of the triggering events listed above. After the triggering event, the candidate must form a candidate committee within 10 days of making an expenditure or receiving a contribution, or within 15 days from filing the SEEC Form 5, whichever is earlier. The exploratory committee must also distribute its surplus to the candidate committee or the Citizens' Election Fund ("CEF"), as the case may be, and file a termination SEEC Form 30 and a "carry-forward" letter within 15 days of filing the SEEC Form 5. **This filing terminates the exploratory committee and should disclose the exploratory committee's distribution of surplus to the candidate committee or the CEF, as well any goods or services paid for by the exploratory committee that are being carried forward for use in the candidate committee.**

In order to facilitate a smooth transition from exploratory committee to candidate committee, the Commission recommends that the candidate open up a depository account and form a candidate committee **as soon as possible** after the triggering event. This allows the campaign to continue without interruption, provides a place to deposit the surplus and any other newly arrived contributions, and helps to avoid running afoul of the statutory deadlines. After the candidate committee account is opened, the exploratory committee treasurer should distribute the exploratory committee's surplus to the candidate committee as soon as possible and file the committee's termination on the Itemized Campaign Finance Disclosure Statement (SEEC Form 30) at the same time as the Exploratory Committee Notice of Intent to Dissolve (SEEC Form 5) is filed, i.e. within 15 days of the triggering event.

Important Note: The twenty-day rule for treasurers to deposit contributions still applies. ***Contributions made after the triggering event should not be deposited in the exploratory committee's depository account, but instead should be deposited in the newly formed candidate committee's depository account.*** If a contribution is made and received after the triggering event, then the treasurer must open a depository account within twenty days and deposit the check, regardless of the time periods for filing a termination SEEC Form 30.

2. Checklist for Dissolving the Exploratory Committee

For the Candidate:

- ☐ Notify the campaign treasurer when you are ready to dissolve the exploratory committee.
- ☐ Complete and sign SEEC Form 5, *Exploratory Committee Notice of Intent to Dissolve*.
- ☐ File SEEC Form 5 with the State Elections Enforcement Commission, Campaign Disclosure and Audit Unit, Third Floor, 20 Trinity Street, Hartford, CT 06106, no later than 15 days of an event triggering dissolution.

For the Exploratory Committee Campaign Treasurer:

- ☐ Complete and file SEEC Form 30, *Itemized Campaign Finance Disclosure Statement for Candidates for Statewide Offices and General Assembly,* **when the distribution of surplus is complete, and in no case later than 30 days after the triggering event that necessitated the dissolution of the exploratory committee.**
- ☐ To complete the filing, select Non-Standard Report and then Termination for Type of Report on the eCRIS Reporting home page.

Period Covered

- ☐ Report all activity of the exploratory committee beginning with the last day not covered by the previous exploratory committee SEEC Form 30 through the day before it is filed with the Commission; OR
- ☐ If the committee raised and/or spent less than $1,000 in prior filing periods and previously filed *Short Form Campaign Disclosure Statement(s)* (SEEC Form 21), in this Termination SEEC Form 30 report all activity from the date of exploratory committee's first contribution received or expenditure made through the day before the report is filed with the Commission.
- ☐ The period should close on 11:59 p.m. of the day before you are submitting the statement. If filing via eCRIS, the closing date of the period cannot be the same day that you submit the report electronically. If hand-delivering the SEEC Form 30, the closing date of the period cannot be the same as the day you hand-deliver the disclosure statement.

Exploratory Committee Depository

- ☐ Keep the exploratory committee depository open until all committee checks written, including the surplus distribution check(s), have been presented and honored by the bank.
- ☐ Check any contracts entered into by the exploratory committee to ensure expenditures incurred by the exploratory committee under the contract are paid. Determine if a new contract is needed for the candidate committee.
- ☐ Do not make any expenditures for the candidate committee from the exploratory committee depository, except to distribute surplus.
- ☐ Do not deposit any contributions made after the triggering event into the exploratory committee depository. Either deposit any new checks into the newly formed candidate committee depository account or return them, if appropriate, to the contributor.

Recordkeeping

- ☐ Obtain and keep copies of documentation for all exploratory committee transactions.
- ☐ The treasurer (or candidate, if so desired) must keep the committee records* for **four years** from the date of the termination filing.

*See Treasurer's Best Practices Checklist Records Treasurers Must Obtain, Copy and Keep, available at the Commission's website, www.ct.gov/seec.

3. Checklist for Forming the Candidate Committee

For the Candidate:

- ☐ Promptly designate a campaign treasurer and committee depository for the candidate committee.
- ☐ Designating a deputy treasurer is also **highly** recommended.
- ☐ Obtain the signature of the designated treasurer and deputy treasurer on SEEC Form 1/1A, *Registration by Candidate*.
- ☐ Register the candidate committee by filing SEEC Form 1/1A with the Commission within 10 days of soliciting or receiving contributions or making an expenditure, and in any event, no later than 30 days after the triggering event that necessitated the dissolution of the exploratory committee.

For the Candidate Committee Campaign Treasurer:

- ☐ Open the candidate committee depository account **as soon as possible**. The account may be with the same institution where the exploratory committee maintained an account, *but the candidate committee must open a new account*.
- ☐ Obtain surplus distribution check(s) and qualifying contribution documentation (if applicable) from the exploratory campaign treasurer.

- ☐ Within 20 days of your receipt, deposit surplus distribution check(s) into the candidate committee depository. The same rule applies to any other post-trigger contributions.
- ☐ Report the receipt of surplus funds from the exploratory committee in Section C2, "Reimbursements or Payments from other Committees," in the candidate committee's first itemized campaign finance disclosure, SEEC Form 30.

4. Distribution of Surplus Monies from Exploratory Committee to Candidate Committee that Intends to Participate

During the exploratory committee stage, a candidate may begin collecting and properly documenting contributions between $5 and $100 (statewide candidates) / $250 (General Assembly candidates) from individuals that may be claimed as qualifying contributions at the time of grant application. If the candidate's exploratory committee has a surplus when it is dissolved, and the candidate intends to participate in the Program, the campaign treasurer of the exploratory committee must:

1. distribute to the candidate committee the surplus funds that meet the criteria for qualifying contributions, *and*
2. distribute any remainder of the surplus, including any non-qualifying contributions, to the Citizens' Election Fund.

A candidate whose exploratory committee does not follow these rules for distributing surplus may not be eligible to receive a grant from the Citizens' Election Fund.

If an exploratory committee has a surplus that is *equal to or less than* the total amount of qualifying contributions raised in the exploratory committee, the campaign treasurer of the exploratory committee may distribute the entire surplus to the candidate committee.

Example 1, *Exploratory committee with surplus equal to or less than the total amount of qualifying contributions raised*: A candidate who ultimately decides to run for the office of State Senator and intends to participate in the Program raises $5,000 in potential qualifying contributions and $2,500 in non-qualifying contributions in the exploratory committee, and dissolves an exploratory committee with a surplus of $1,000. Because at least $1,000 in small dollar contributions was raised in the exploratory committee, the treasurer of the exploratory committee may distribute the $1,000 surplus to the candidate committee.

If an exploratory committee has a surplus that is *greater than* the total amount of potential qualifying contributions raised in the exploratory committee, the campaign treasurer of the exploratory committee must distribute to the candidate committee the amount of the surplus that is equal to the potential qualifying contributions raised in the exploratory committee and must distribute any remainder of the surplus to the Citizens' Election Fund.

Example 2, *Exploratory committee with a surplus greater than the total amount of qualifying contributions raised*: A candidate who ultimately decides to run for the office of State Representative and intends to participate in the Program raises $5,000 in potential qualifying contributions and $2,500 in non-qualifying contributions, and dissolves an exploratory committee with a surplus of $6,000. Because $5,000 in potential qualifying contributions was raised in the exploratory committee, the treasurer of the exploratory committee may distribute $5,000 of the surplus to the candidate committee. The treasurer must distribute the remaining $1,000 to the Citizens' Election Fund because that amount was not raised from potentially qualifying contributions and therefore should not be rolled into the committee of a candidate who intends to participate.

If an exploratory committee has a surplus of small dollar contributions (that may be claimed as qualifying contributions at the time of grant application) which exceeds the grant qualification threshold for the office sought, an amount equal to the required qualifying contribution amount may be distributed to the candidate committee and the excess or buffer qualifying contributions must be transmitted to the Citizens' Election Fund. The amount of excess qualifying contributions transmitted to the Citizens' Election Fund may count towards the candidate's "buffer" amount, so long as the excess qualifying contributions are properly documented.

Example 3, *Exploratory committee with surplus of qualifying contributions that is greater than the threshold for the office sought*: An exploring candidate who ultimately decides to run for the office of State Senator and intends to participate in the Program raises $16,000 in potential qualifying contributions and $2,500 in non-qualifying contributions in the exploratory committee, and dissolves an exploratory committee with a surplus of $17,000. Because at least $15,000 in potential qualifying contributions was raised in the exploratory committee, the treasurer of the exploratory committee may distribute the $15,000 surplus to the candidate committee, and must distribute the remaining $2,000 to the Citizens' Election Fund. The $1,000 amount of excess potential qualifying contributions is transmitted to the Citizens' Election Fund but its documentation may count towards the candidate's "buffer," so long as the excess qualifying contributions are properly documented.

[General Statutes §§ 9-608(f); 9-704(a)(1) – (4); Declaratory Ruling 2007-02]

5. Carrying Forward Goods and Services from Exploratory Committee to Candidate Committee

Exploratory committees must also submit a letter (and other information if requested) identifying goods or services, if any, purchased or prepaid by the exploratory committee which they intend to carry forward to the candidate committee. The campaign treasurer will have to identify:

- Any durational agreement, such as a lease for headquarters, or ongoing consultant contract;
- Purchase of or lease for equipment, furniture, or leased vehicle with a cost of $250 or more;

- Purchases made for advertising to be used by the candidate committee (advance payments for ads, mailers, palm cards, website, etc.);
- Advertising expenditures made by the exploratory committee solely to aid or promote the candidate's primary or general election campaign (as opposed to expenses incurred for permissible activities of an exploratory committee such as communicating with potential nominating authorities, soliciting funds, polling or otherwise testing the waters); and
- Prepaid postage or supplies, or a website or web domain name, or other items for which the exploratory committee had paid.

The committee must **also** list any additional expenditures of the exploratory not previously reported, such as anticipated costs of wrapping up the exploratory committee, and whether such expenses should be attributed to the exploratory or candidate committees, or in part to both.

If **no** goods or services will be carried forward, the committee will have to simply state that in the required "carry-forward" letter.

Important Note: An exploratory committee exists to "test the waters," as opposed to a candidate committee from which a participating candidate may properly make expenditures to promote his or her election to the general public through advertising. Therefore, if a candidate makes such advertising expenditures in the exploratory committee, they must be fully reported in the rollover letter.

Alternatively, the exploratory committee may choose to **sell for fair market value** to permissible recipients the equipment, furniture or supplies it purchased. Reporting these sales is accomplished as follows:

- Report the sales of the items in Section S, "Surplus Distribution of Equipment and Furniture."
- Report the proceeds from such sales in Section I, "Miscellaneous Monetary Receipts Not Considered Contributions."
- Include the proceeds in a distribution check written to the candidate committee or the Citizens' Election Fund, as appropriate. For candidates who have documented qualifying contributions that exceed the cash on hand in the exploratory committee at the time of dissolution, the assets of the exploratory committee can be sold and proceeds rolled over to the candidate committee up to the amount of the difference between the cash-on-hand and the documented qualifying contributions. Report the distribution check in Section N, "Expenses Paid by Committee." The Expenditure Code is SRPLS.
- If the exploratory committee chooses not to sell the equipment, furniture or supplies it purchased, but instead chooses to transfer ownership of such items to the candidate committee, this should be documented in the letter accompanying the termination SEEC Form 30.

6. Exploratory Committee Surplus Distribution Checklist

Exploratory Committee Treasurer:

- ☐ Write a committee check to distribute the portion of the surplus that fits the description of qualifying contributions to the candidate committee.
- ☐ Write a committee check to distribute the portion of the surplus representing excess qualifying contributions or non-qualifying contributions (contributions from party committees and political committees, individual contributions exceeding $100, liquidated in-kind contributions, and so on) to the Citizens' Election Fund.
- ☐ Report the distribution(s) in the exploratory committee's termination SEEC Form 30.

Reporting Distribution of Surplus

- ☐ Report in Section N, "Expenses Paid by Committee," the committee check(s) distributing surplus to the candidate committee.
- ☐ Make photocopies or electronic images of all qualifying contribution documentation (make an extra set of copies for your records!), for submission to the Commission together with the exploratory committee's termination SEEC Form 30.

Attachments to Exploratory Committee's Termination SEEC Form 30

- ☐ "Carry-forward" letter describing any goods and services carried forward from the exploratory committee to the candidate committee or if none were carried forward, a letter stating that;
- ☐ Qualifying contribution documentation: photocopies or CD or flash drive containing electronic copies of all qualifying contribution documentation not already submitted to the Commission; and
- ☐ Check made out to Citizens' Election Fund for proceeds from sales of exploratory committee equipment and furniture (if that sum exceeds the amount for which there are documented qualifying contributions) or for excess qualifying contributions or non-qualifying contributions (if applicable).

7. Exploratory Committee Deficit

In the event of an exploratory committee deficit, the deficit carries over and becomes an assumed deficit of the candidate committee, as an "expense incurred but not paid" of the candidate committee. Because the Program has expenditure limits, the transfer of a substantial deficit to the candidate committee may impact a candidate's ability to comply with the limits.

The exploratory committee must file a termination SEEC Form 30, with all applicable attachments, as described above. The candidate committee treasurer must report all liabilities carried over from the exploratory committee in Section Q, "Expenses Incurred by Committee but Not Paid During this Period," of the candidate committee's first itemized campaign finance disclosure statement (SEEC Form 30).

For additional guidance, please call your Candidate Services Liaison.

[Declaratory Ruling 2007-02]

8. Exploratory Candidates Deciding Not to Transition into Candidate Committee

If a candidate in exploratory committee decides not to seek nomination or election to any office and the exploratory committee has a surplus, the surplus must be distributed to one or more of the following:

a. An ongoing political committee (so long as such political committee has not been established to finance future political campaigns of the candidate);

> **Important Note**: The Commission has concluded that a political committee is deemed to have been established to finance future political campaigns of a candidate where 26% or more of the committee's expenditures go to the candidate's future campaigns.

b. A party committee (no strings attached or earmarking for later use);

c. A tax exempt, tax deductible organization under Section 501(c)(3) or a veterans organization under Section 501(c)(19) of the Internal Revenue Code;

d. All contributors on a *pro rata* basis based upon the relationship of the aggregate contribution from a particular contributor to the total of all contributions received by the committee from all contributors; or

e. The Citizens' Election Fund.

If the candidate decides not to seek nomination or election to any office and the exploratory committee has a deficit, the treasurer must file a deficit statement (SEEC Form 30) with the Commission thirty days after the decision or declaration. This deficit statement shall include all contributions received and expenditures made from the date of the last filed statement completed as of seven days before the filing of the deficit statement and shall include the amount of the deficit.

The exploratory committee must remain in existence until the deficit is eliminated. The treasurer is required to file an additional statement on the 7th day of any succeeding month when there is an increase or decrease in the deficit that is greater than $500 from the last disclosure statement.

[General Statutes § 9-608(f)]

B. Termination of Candidate Committees

1. Timing of Termination

A candidate committee must **distribute its surplus** within ninety days of an unsuccessful primary, or a special election not held in November, or, if notified of a post-election review by the Commission, within 120 days after the primary or special election date. In the case of the November election (including a candidate committee of a candidate successful in the primary), the candidate committee must distribute its surplus by March 31, 2019, or if notified of a post-election review by the Commission, by June 30, 2019. Each committee must **file its termination statement within seven days** of its surplus distribution.

A committee may terminate any time between the end of the primary/election and the deadlines described below and is strongly encouraged to terminate as soon as possible. However, a candidate committee cannot terminate until it has:

1. paid all expenses of the committee including reimbursements owed and expenses previously incurred but not yet paid;
2. sold equipment and furniture purchased by the committee valued at greater than $50 and reported the sale price in SEEC Form 30 as a miscellaneous monetary receipt;
3. distributed surplus funds (if any) to the Citizens' Election Fund; and
4. eliminated deficit (if any) according to the law.

Important Note: Prior to terminating, campaigns should make copies of **all** internal documentation in preparation for a potential Commission post-election review.

The campaign treasurer must file a termination report using SEEC Form 30, indicating all of the committee's winding-up expenditures. The ending balance on the summary totals section of the termination SEEC Form 30 should show a zero balance.

A participating candidate's committee must distribute all surplus money to the Citizens' Election Fund, the distribution of which should be reported in Section N of its final SEEC Form 30 termination statement. All surplus furniture and equipment must be sold at fair market value (see "Sale of Committee Furniture and Equipment," below), and the proceeds must be distributed to the Citizens' Election Fund.

Failure to repay surplus funds to the Citizens' Election Fund within the surplus distribution deadlines outlined above after the applicable primary or election may constitute larceny.

Important Note: Expenditures made after the election are generally restricted to payment for outstanding liabilities and nominal expenses associated with "winding up" a campaign. Participating candidates are not permitted to make bonus payments to campaign staff or volunteers, with the exception of a payment up to $1,000 to the campaign treasurer, as outlined previously. It is therefore very important for a committee to contemporaneously document any service agreements made before the election that will result in payments afterward. For more information on proper post-election expenditures, please see "Post-Election Spending" in **Chapter VI. Campaign Expenditures**.

[General Statutes § 9-608(a)(1) & (2), (e)(1); Regs., Conn. State Agencies § 9-706-2]

2. Sale of Committee Furniture and Equipment

After the election, the law requires candidate committees to sell their surplus equipment (e.g. furniture, computers, cameras, fax machines, printers, and cell phones) prior to termination. These items must be sold at fair market value and the campaigns should use their best efforts to reasonably estimate this value. Committees can look to the marketplace (by contacting vendors and/or looking to the Internet) to determine the current average cost of the item. If a committee is selling equipment in a transaction that is not at arms-length, it must be particularly mindful that it is for the fair market value. Indications of fair market value may include the Internal Revenue Service's guide on "How to Depreciate Property," or comparable listings on websites where used goods are resold. The law permits sale of these items to **any person,** which includes sale to individuals (including the candidate), committees, corporations, partnerships, organizations, or associations.

Important Note: As a general rule a committee does not need to sell items that have a fair market value of less than $50.

The candidate committee should keep an internal record of how fair market value was determined as well as a receipt for the sale. The proceeds from the sale of these items are reported in Section I (Miscellaneous Monetary Receipts not Considered Contributions) of SEEC Form 30. In the "Description" field, the treasurer should provide a brief description of each item sold as well as the original purchase date.

Important Note: Prior campaign assets such as campaign paraphernalia, lawn signs and stationery containing the candidate's name or committee's name, are not considered equipment and may be stored for use in future elections.

3. Distribution of Surplus Funds

a. Participating Candidates Who Received Grants

Prior to termination, candidates participating in the Citizens' Election Program who have received grant monies must pay all outstanding debts, sell furniture and equipment and **distribute all surplus funds** remaining in their bank accounts including interest earned to the Citizens' Election Fund.

The candidate committee treasurer should draft a check payable to the "**CEF**" and indicate on the memo line that the check represents "distribution of surplus." The check and a simple cover letter (including the committee's name, candidate's name, and

treasurer's name) should be sent to the Commission to: State Elections Enforcement Commission, Campaign Disclosure & Audit Unit, 3rd Floor, 20 Trinity St., Hartford, CT 06106-1628.

As noted above, once a committee has distributed its surplus, it has **seven days** to terminate by filing a termination statement using SEEC Form 30. This statement must report the distribution of surplus in Section N (Expenses Paid by Committee) using the code SRPLS.

The **deadlines** to distribute participating candidate surplus are as follows:

Special election not held in November – not notified of post-election review	90 days following election day
Special election not held in November – notified of post-election review	120 days following election day
Unsuccessful in primary – not notified of post-election review	90 days following primary day
Unsuccessful in primary – notified of post-election review	120 days following primary day
Election held in November – not notified of post-election review	March 31 of year following election day
Election held in November – notified of post-election review	June 30 of year following election day

A complete filing calendar is available on the Commission's website.

[General Statutes § 9-608(e)]

b. Participating Candidates Who Did Not Receive Grants

Prior to termination, participating candidates who did **not** receive grant monies must pay all outstanding debts, distribute furniture and equipment (as described above) and **distribute all surplus funds** remaining in their bank accounts to either:

1. the CEF (as outlined above); or
2. a tax exempt, tax deductible organization under Section 501(c)(3) or a veterans organization under Section 501(c)(19) of the Internal Revenue Code.

Important Note: A committee is responsible for determining whether an organization is a 501(c)(3) or 501(c)(19) organization prior to distributing any surplus funds to said organization. The IRS maintains a database of 501(c)(3) organizations.

Once a committee has distributed its surplus, it has **seven days** to terminate by filing a termination statement using SEEC Form 30. This statement must report the distribution of surplus in Section N (Expenses Paid by Committee) using the code **SRPLS**.

The deadlines for a candidate committee that did not receive a grant to distribute its surplus are the same as listed above.

[General Statutes § 9-608(e)]

4. Treatment of Liabilities (Deficit)

Participating candidates are bound by the Program's expenditure limits. Generally, participating candidates who run up a deficit during the campaign cycle face various penalties, and among other penalties, the candidate and campaign treasurer may be personally liable to repay the amounts due.

Participating candidates who have received grant monies should not have a deficit after the election. There is an exception to this principle for **certain minor party and petitioning candidates who received a 1/3 or 2/3 grant**. As previously explained, these candidates are allowed to raise "differential contributions" (i.e. additional qualifying contributions) to make up the difference between the initial grant amount received and the amount of a full (100%) grant. In addition, these candidates may incur expenditures before having raised such funds, and thus may face a deficit after the election. These candidates have several options: (1) they can raise additional differential contributions in order to pay off the deficit; (2) in some instances, they may qualify for a post-election grant; or (3) they may use the proceeds from the sale of surplus equipment to pay off a deficit.

A minor party or petitioning candidate who qualifies for a partial initial grant (i.e. a 1/3 or 2/3 grant) may receive a supplemental post-election grant if the minor party or petitioning candidate receives a greater percentage of votes cast for all candidates for that office than the percentage of votes or signatures such candidate used to qualify for the grant. To receive a post-election grant, such candidate's campaign must be in compliance with all Program rules, report a deficit in the campaign finance disclosure statement filed after the date of the general election, and have documented outstanding expenses incurred but not paid which were made to further the candidate's election.

[General Statutes § 9-608(e)(1)(A) and (E)]

5. Uncashed Checks

If committee workers, consultants, or vendors the committee paid by check have not cashed those checks by the time the committee must terminate, the treasurer should **keep the depository account open**, retain in there the amount needed to cover the uncashed checks, and notify the Commission. The treasurer should pursue the payee to cash the committee check. A vendor or worker who does not cash a committee check made in payment for goods or services rendered may be making an unauthorized contribution to the committee. If the payee has lost the original payment check, the treasurer should contact the Commission for further guidance.

6. Obtaining Bank Records

Prior to closing the depository account, the treasurer must ensure that the committee has copies of all banking records, **including images of cashed checks**. This is especially important when a committee does electronic banking with an institution that keeps transaction details available for only a short period of time such as ninety days. Accordingly, the Commission strongly encourages treasurers to make copies of such records during the course of the campaign.

XI. COMPLIANCE AND ENFORCEMENT

To ensure that the public's investment is protected, the Commission offers compliance advice and training. Program participants are encouraged to keep in frequent contact with the Candidate Services Unit and to seek advice about any concerns.

It is the candidate's responsibility to keep the Commission updated with current contact information, any changes in campaign treasurer or deputy treasurer, and the location of campaign records **even after the election has concluded**. The Commission must remain in contact with the campaign treasurer regarding termination questions, and, if selected for post-election review as discussed below, until the review process has concluded. While the campaign is still active, the candidate or treasurer should file an amended SEEC Form 1 to note any changes in contact information for the candidate, treasurer or deputy treasurer.

[General Statutes §§ 9-602(c), 9-604, 9-606]

The Commission instituted a comprehensive post-election review program in 2008 and examined the records of all 2008 campaigns to ensure that only qualified candidates received public grants and participating campaigns used grant funds only for permissible purposes. In addition, this data allowed the Commission to create a baseline of information and identify areas for further development, education, and focus. Since 2010, the Commission has reviewed 50% of General Assembly committees, chosen by lottery, and 100% of statewide committees.

For the 2018 election cycle, the Commission will review all statewide candidate committees and no more than 50% of General Assembly candidate committees, who will be notified accordingly. The General Assembly candidate committees will be selected by a randomized lottery which, per a recent change in the law, will be weighted by taking into the account the frequency with which a particular legislative district was reviewed during the last three preceding regular election for that office.

[General Statutes § 9-7b(a)(5) (as amended by P.A. 17-2 (June Special Session))]

A. Potential Pitfalls Regarding Post-Election Activity

The following are some potential post-election problems:

- Not filing the required disclosure statements following the election;
- Failing to keep the Commission updated with current contact information;
- Making impermissible post-election expenditures, such as bonuses to staff (other than a payment of up to $1,000 to the campaign treasurer as described above);
- Failing to obtain copies of all bank records while the committee account is still open, including canceled checks written for committee expenditures;
- Filing a termination statement reporting a remaining balance, rather than a zero balance;
- Failing to timely distribute surplus and close the bank account after the last committee check was cashed; and

- Failing to respond to post-election review requests in a complete and timely manner.

[General Statutes §§ 9-607(f), 9-608; Regs., Conn. State Agencies §§ 9-706-1, 9-706-2]

B. Prepare to Be Reviewed

A critical component of a post-election review is the Commission's assessment of records documenting the committee's qualified expenditures to ensure that public funds were used for campaign purposes. ***The campaign must be able to document that all expenditures were for permissible purposes and did not exceed the applicable expenditure limit.***

All candidates and treasurers should be prepared to participate in a post-election review of their candidate committee and should keep the necessary records. Regardless of whether the committee is chosen for a review, treasurers are required to maintain internal records of each transaction for a period of four years.

Campaigns may use committee funds to comply with a post-election review, including paying for copies of internal documentation in preparation for their review. Such expenditures must be made **prior** to termination. The treasurer should have a set of originals to store for the campaign and a copy set to give to the Commission.

Again, it is the candidate's responsibility to keep the Commission updated with current contact information, any changes in campaign treasurer or deputy treasurer, and the location of campaign records even after the election has concluded.

[General Statutes §§ 9-7b, 9-606(a), 9-607(f), 9-608(e)(1)(H)]

C. Post-Election Review

1. Process

During a post-election review, the Commission's Campaign Disclosure and Audit Unit may review transactions to ensure that a campaign's financial activity has been accurately reported. In addition, the Campaign Disclosure and Audit Unit may verify that backup documentation for contributions, expenditures and all other campaign finance activity have been maintained.

A post-election review is a thorough process, consisting of various correspondences between the candidate and the Commission's staff. To facilitate this process, it is necessary to have all of the campaign's financial records (bank statements, receipts, etc.) on hand and organized. Failure to produce documents requested by the Commission could result in the Commission assessing penalties or requiring a return of public funds. If treasurers maintain organized campaign records during the election, preparing for a post-election review will be much simpler.

[General Statutes §§ 9-7b, 9-607(g); Regs., Conn. State Agencies §§ 9-706-1, 9-706-2]

2. Post-Election Draft Summary of Examination

Once the documentation review portion of the post-election review has been completed, the Commission will prepare a draft summary of examination detailing findings about the campaign's compliance with Program requirements and in some

cases, requesting further information about certain transactions. The main purpose of the draft summary is to list issues and to provide the candidate and treasurer with an opportunity to respond to preliminary findings with further explanation or with more documentation to fill gaps in the records.

If a candidate disagrees with the preliminary findings in the draft summary of examination, he or she is encouraged to submit detailed explanations with corresponding relevant documentation. The campaign's response may also include an amendment to the disclosure statements to report previously unreported or misreported items.

The campaign should respond to the draft summary of examination in a timely manner, even if the campaign agrees with the proposed findings or has no further information.

3. Post-Election Final Summary of Examination

The final summary of examination will be the Commission's final determination of a campaign's compliance with the Program. The final summary will be based on the draft summary and the candidate's response thereto. The final summary of examination is a public document and will be placed in the Commission's public file.

[General Statutes §§ 9-703(a), 9-711(a)]

D. Avoiding Violations

The easiest way to avoid violating the requirements of the Citizens' Election Program is to keep in frequent contact with your Candidate Services Liaison. See the contact information at the beginning of this Guide for phone numbers and email addresses. If a campaign has specific questions and would like the Commission to take official action and/or respond in writing to clarify the applicable requirements, the process to request a written opinion is outlined below.

E. Points to Remember

The following are some important points to remember:

- Keep in regular contact with your Candidate Services Liaison;
- Respond promptly to requests for information;
- Candidates and treasurers will be individually and personally responsible for penalties assessed against their campaign; and
- Read all Program materials, including General Statutes Chapters 155 and 157 and this Guide, and visit the Citizens' Election Program section on our website at http://www.ct.gov/seec.

F. Written Advice

The Commission and/or its staff issue three types of written advice: Opinions of Counsel, Advisory Opinions, and Declaratory Rulings. The Commission will not respond to requests for advice concerning: (1) the conduct of another; (2) conduct that has already occurred; or (3) issues that are not covered under the campaign finance laws.

1. Opinions of Counsel

Opinions of Counsel may be requested from the Commission staff but are not binding on the Commission. However, the person to whom an Opinion of Counsel is rendered may rely upon the opinion with respect to any matter brought before the Commission based upon the same facts and circumstances addressed in the opinion. If there is an omission or change in any facts or assumptions presented, and such omission, fact or assumption is material to the conclusions presented in the opinion of counsel, then the requestor may not rely on those conclusions in support for such activity brought before the Commission. Please contact your Candidate Services Liaison or any member of the Commission's legal staff for assistance in requesting an Opinion of Counsel. Contact information is listed at the beginning of this Guide.

[General Statutes § 9-7b(a)(17)]

2. Advisory Opinions

Where the Commission sees that similar questions are being asked by various individuals or concludes that the regulated community would best be served by written guidance, the Commission may opt to issue an Advisory Opinion. An Advisory Opinion is an official Commission response to a question relating to the application of Connecticut campaign finance law and has general applicability.

3. Declaratory Rulings

Finally, an individual or entity may also request a declaratory ruling from the Commission.

The subject of a declaratory ruling may concern the applicability of any provision of Chapter 155 or 157 of the General Statutes, or any regulation promulgated by the Commission, with respect to a course of action contemplated by the person seeking the ruling.

A request for a declaratory ruling must contain the following:

- An original signature, address, and telephone number of the person(s) requesting the opinion or ruling;
- A clear and concise statement of the issue and the underlying facts;
- A statement that the course of action contemplated by the person is real and not hypothetical or imaginary;
- An identification of the particular aspect of the provisions of Chapter 155 or 157 of the General Statutes or regulation to which the request is addressed; and
- Any facts and arguments that support the position of the person making the inquiry.

The declaratory ruling procedures may not be used to challenge the legality or legal sufficiency of another person's actions. Instead, the complaint process must be used for that purpose.

A declaratory ruling request must be mailed to the Commission or delivered in person during normal business hours. If the Commission determines a declaratory ruling will not be rendered, it will, within thirty days of such determination, notify the person(s) requesting the same of its denial.

A declaratory ruling generally involves a comment period and people on file as having requested notice of such opportunities to comment are made aware of the draft available for comment. Contact your Candidate Services Liaison to be added to this list if you would like such notice.

A declaratory ruling is binding upon the Commission and also will be applied broadly across the Program.

[General Statutes § 4-176; Regs., Conn. State Agencies §§ 9-7b-63, 9-7b-64, 9-7b-65]

G. Violations

Upon filing the Affidavit of Intent to Abide (SEEC Form CEP 10), the candidate and the treasurer and deputy treasurer, if applicable, are legally bound to comply with all Program requirements. Ignorance of the Program requirements is not an acceptable defense for non-compliance. The Candidate Services Liaisons are available to assist campaigns with questions or problems they may have but it is ultimately the candidate and treasurer's responsibility to ensure compliance with the Program.

Failure to comply with the Program requirements may lead to an assessment of a civil penalty by the Commission and the disqualification or suspension of public funds. The Commission can levy civil penalties up to $2,000 per offense or twice the amount of any improper payment or contribution, whichever is greater, against persons found to be in violation of public finance laws. Any person who knowingly and willingly violates the campaign finance laws shall be guilty of a Class D felony. A person found guilty of failing to timely repay their surplus funds to the Citizens' Election Fund shall be guilty of larceny.

Remember, the candidate and treasurer and deputy treasurer (if applicable) are responsible for the payment of all penalties assessed and repayments of public funds.

[General Statutes §§ 9-7b(a)(2)(D), 9-623(b), 9-703, 53a-119; Regs., Conn. State Agencies § 9-706-3]

H. Penalties for Failure to File Supplemental Disclosure Statements

As described in **Chapter IX. Disclosure**, there are required weekly supplemental reports for races in which there is at least one participating candidate. In addition, a participating candidate committee must file a Declaration of Excess Expenditures within 48 hours or 24 hours of incurring or making an excess expenditure. Potential penalties for late filing of supplemental statements range from $1,000 for the first late report to $5,000 for each subsequent late report. Additionally, the Commission can levy civil penalties up to $2,000 per offense or twice the amount of any improper payment or contribution, whichever is greater, against persons found to be in violation of public campaign finance laws.

[General Statutes §§ 9-7b(a)(2)(D), 9-711, 9-712; Regs., Conn. State Agencies § 9-712-1]

I. Who May File a Complaint?

Any individual may file a complaint under oath with the Commission requesting it to investigate any alleged violation of the election laws. The Commission may, on its own initiative, also decide to conduct an investigation on any possible violation of the State election laws.

[General Statutes § 9-7b; Regs., Conn. State Agencies § 9-7b-25]

J. Form of Complaint

All complaints filed with the Commission must be in writing and sworn to under oath by the complainant. A pre-printed form, which is available both at the Commission's offices and at its website, http://www.ct.gov/seec, may be used to file complaints. A complaint may also be filed in letter form provided that it is sworn to under oath. Complaints must include the complainant's original signature and are not accepted via fax or electronic mail.

Complaints should include the following:

- The legal name, address and telephone number of the individual filing the complaint;
- A clear and concise statement of the facts;
- The date of the alleged violation(s);
- The identity of the person(s) alleged to have committed the violation(s);
- The identity of any person(s) who may have knowledge of the facts asserted in the complaint; and
- Any other document, written material or other information known to the complainant and having a bearing on the violation(s) alleged in the complaint.

For complaints received on or after January 1, 2018, the Commission must dismiss the complaint if the Commission fails to issue a decision on the complaint within one year of receiving it. That time may be extended by the length of time it takes for: (1) the Commission or its staff granting any extension or continuance to a respondent prior to the issuance of a decision; (2) any subpoena being issued in connection with the complaint; (3) any litigation in state or federal court related to the complaint; or (4) any investigation by or consultation of the Commission or its staff with the Chief State's Attorney, the Attorney General, the United States Department of Justice, or the United States Attorney for Connecticut related to such complaint.

In the event of a complaint being filed, respondents, including treasurers, should be prepared and organized to immediately respond to requests for information from the Commission in order to comply with the new statutory deadline.

[General Statutes §§ 9-7a (as amended by P.A. 17-2 (June Special Session)), 9-7b; Regs., Conn. State Agencies § 9-7b-25]

GLOSSARY

Affidavit of Intent to Abide by Expenditure Limits: The document (SEEC Form CEP 10) required from each participating candidate before the candidate can apply for or receive a Program grant and which reflects the candidate's intent to follow the Program's requirements, including fundraising and expenditure limits. The candidate must file the affidavit by the applicable deadline. Conversely, candidates who decide not to participate in the Program must file an affidavit stating that they will not abide by the expenditure limits. This affidavit for nonparticipating candidates (SEEC Form CEP 11) must be filed with the Commission by the applicable deadline. The applicable deadline is 40 days before a regular election and 25 days before a primary or special election. Candidates claiming an exemption from forming a candidate committee (1B filers) are not required to file either affidavit and are deemed nonparticipating candidates. General Statutes § 9-703.

Buffer Qualifying Contribution: A contribution that meets the criteria for a qualifying contribution and is received after a candidate committee has already raised the required threshold (number of in-district or in-state contributors and aggregate dollar amount) for qualifying contributions. Such contributions are useful in the event that some of the candidate committee's other contributions are deemed to be non-qualifying during the grant application review. The amount of any buffer qualifying contributions raised beyond the qualifying threshold must be transmitted to the Citizens' Election Fund with the committee's grant application.

Bundle: The forwarding of five or more contributions to a single committee by a communicator lobbyist, an agent of such lobbyist, or a member of the immediate family of such lobbyist, or raising contributions for a committee at a fundraising affair held by, sponsored by, or hosted by a communicator lobbyist or an agent of such lobbyist, or a member of the immediate family of such lobbyist. A communicator lobbyist may not bundle on behalf of a statewide or General Assembly candidate or exploratory committee. General Statutes § 9-601(27).

Candidate: An individual who seeks nomination for election or election to public office even if the campaign proves unsuccessful. Individuals qualify as candidates if they have (A) been endorsed by a party or become eligible for a position on the ballot at an election or primary, (B) solicited or received contributions, made expenditures, or consented to any other person soliciting or receiving contributions or making expenditures so that the individual can win nomination or election to any office, or (C) registered with the Commission as a candidate. General Statutes § 9-601(11).

Candidate Committee: Any committee designated by a single candidate, or established with the consent, authorization, or cooperation of a candidate, for the purpose of participating in a single primary or election and to aid or promote such candidate's candidacy alone for a particular public office. Candidate committees are distinct from political committees or party committees. A candidate may form only **one** candidate committee for a particular office for a particular election. General Statutes § 9-601(4).

Candidate Services Liaison: A staff member of the Commission who assists candidates, treasurers, and candidate committees in understanding and complying with Program requirements and regulations throughout the election process. Candidate Services Liaisons will be assigned to participating candidates and will be available to answer questions, listen to suggestions and provide support with all aspects of the Program.

Caucus: A meeting at a designated hour and place of the enrolled members of a political party within a municipality or political subdivision thereof held to select party-endorsed candidates for a party primary or to transact other business of such party. General Statutes § 9-372(1).

Citizens' Election Fund: The non-lapsing account within the State of Connecticut's General Fund that serves as the funding source for the Citizens' Election Program grants. Assets in the Citizens' Election Fund result from the sale of abandoned property that has reverted to the State, voluntary contributions, and distribution of committee surplus funds. General Statutes § 9-701.

Citizens' Election Program: Connecticut's publicly–funded, campaign financing program created in 2005, administered by the Commission, which provides campaign grants to qualifying major party, minor party, and petitioning candidates seeking election to Statewide Office or the General Assembly. General Statutes § 9-702(a).

Communicator Lobbyist: An individual or entity that is or should be registered with the Office of State Ethics as a communicator lobbyist. A "communicator lobbyist" is an individual or entity who receives or agrees to receive $3,000 or more in a calendar year for lobbying. See General Statutes § 1-91(12) & (22).

Contribution: Any gift, loan, payment or expenditure of money, goods or anything of value made to promote the success or defeat of any candidate seeking the nomination or election of any individual to office. A contribution may be monetary or non-monetary (in-kind). All contributions are counted toward the aggregate contribution limits that apply to the particular donor. General Statutes § 9-601a(a). CEP candidates may only receive *qualifying contributions* (see definition below).

Convention: A meeting of delegates of a political party held to choose the candidate or endorse candidates of that party for state or district offices or to transact other business of such party. General Statutes § 9-372(2).

Coordinated Expenditures: *See* **Non-Independent Expenditures.**

Declaration of Excess Expenditures: A statement required to be filed within 24 or 48 hours by a participating candidate who makes or obligates to make an expenditure which exceeds100% of the candidate committee's applicable expenditure limit authorized under section 9-702(c) of the General Statutes. General Statutes § 9-712(a).

Depository Account: The single checking account at a depository institution designated as the sole repository for the candidate committee's moneys in accordance with the provisions of subsection (a) of section 9-604. The depository institution must have a physical location in Connecticut. General Statutes §§ 9-604(a), 9-700(2).

Deputy Treasurer: Appointed by the candidate (or by the chairperson of an exploratory committee), the deputy treasurer may act for the committee treasurer if the treasurer is unable to perform his or her duties for any reason. General Statutes §§ 9-601(13), 9-602(c).

Differential Contributions: Minor party or petitioning candidates who qualify for a partial grant under the Program requirements in the amount of 1/3 or 2/3 of the applicable full grant amount for that office may continue to raise qualifying contributions after receiving their partial grant. These contributions, known as differential contributions, when added to the partial grant received under the Program, may make up the difference between the partial and full grant amount. Qualifying contributions that would result in exceeding the full grant amount may not be deposited into the committee's account.

Donative Intent: The intent of a contributor to contribute to a campaign, which must be established in order to accept the contribution. Donative intent is established if the following three conditions are met: (a) the decision to contribute is made knowingly and voluntarily by the contributor and is made for the purpose of influencing the nomination or election of the candidate; (b) the money contributed is owned or controlled exclusively by the contributor; and (c) the contribution is not made from the proceeds of a gift, the purpose of which was to provide funds to be contributed, or is not otherwise controlled by another individual.

eCRIS (Electronic Campaign Reporting Information System): The SEEC's online campaign finance reporting and disclosure system that allows candidates and their committee treasurers to submit required committee registration information and campaign finance statements detailing the receipts and expenditures of the committee electronically via the Internet. General Statutes § 9-675.

EIN (Employer Identification Number): See FEIN.

Eligible Minor Party Candidate: A candidate who has received the nomination of a minor party, making him or her eligible to appear on the ballot and to apply for a Program grant. General Statutes § 9-700(4).

Eligible Petitioning Party Candidate: A candidate for election to an office whose nominating petition has been approved by the Secretary of the State, making that candidate eligible to appear on the ballot and to apply for a Program grant. General Statutes § 9-700(5).

Excess Expenditure: An expenditure by the qualified candidate committee of a participating candidate that is in excess of the applicable expenditure limit as set forth in Section 9-702(c) of the General Statutes. Participating candidates who make expenditures in excess of the limit set by statute are subject to penalties and, if they have not yet applied, may be ineligible for a grant. Additionally, such participating candidates are required to file a Declaration of Excess Expenditures. General Statutes §§ 9-711(a), 9-712(a). *See also* **Declaration of Excess Expenditures** and **Expenditure Limits**.

Expenditure: Any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, when made for the purpose promoting the success or defeat of any candidate seeking the nomination for election, or election, of any person, or to promote the success or defeat of any political party. General Statutes § 9-601(b).

Expenditure Limits: Candidates who intend to participate in the Program as well as those participating in the Program agree to limit their expenditures during the pre-primary/pre-general election period, the primary campaign (if applicable) and the general election campaign. During the pre-primary/pre-general election period, candidates are limited to the sum of allowable qualifying contributions and allowable personal funds provided by the candidate. During the subsequent primary campaign (if applicable) and general election campaign periods the candidate is limited to qualifying contributions, personal funds, and grants from the Fund. Minor party and petitioning candidates who do not receive the full initial general election grant may also raise qualifying contributions up to the amount of the full grant, and expend the additional contributions raised. General Statutes § 9-702(c).

Exploratory Committee: A committee established by a candidate for a single primary or election to determine whether to seek nomination or election to public office. General Statutes § 9-601(5); *see also* Declaratory Ruling 2007-02.

Federal Employer Identification Number (EIN): Identification number assigned by the Internal Revenue Service; the EIN is a prerequisite to receiving any money from the State Comptroller's Office requires an EIN for any electronic funds transfer. For more information about obtaining an EIN, contact the IRS.

Fund: *See* **Citizens' Election Fund**.

General Election Campaign: The general election campaign period begins on one of two dates, depending on the nature of the candidate's nomination. In the case of a candidate nominated through a primary, the general election period commences on the day following the primary. For a candidate nominated without a primary, the general election period starts on the day following the day on which the party nominates the candidate. In any event, the general election ends on the date the campaign treasurer files the termination statement for such committee pursuant to section 9-608. General Statutes § 9-700(7).

Independent Expenditures: Expenditures made by a "person"(individual, entity or committee) without the consent, coordination, or consultation of, a candidate or agent of the candidate, candidate committee, political committee or party committee. In contrast to non-independent expenditures, truly independent expenditures will not cause participating candidate committees to exceed expenditure limits. A candidate committee may not make an independent expenditure to benefit another candidate. Person(s) making independent expenditure(s) must report them to the Commission within 24 hours. General Statutes § 9-601c; Regulations of Connecticut State Agencies, Section 9-706-2(b)(13).

Individual: The term "individual" refers to a human being, a sole proprietorship, or a professional service corporation organized under chapter 594a and owned by a single human being. Only individuals who are human beings or sole proprietorships may make qualifying contributions. General Statutes §§ 9-601(9), 9-704(a) and (e).

In-Kind Contributions: Donation of goods, services, or anything of value given free of charge or at less than the usual charge to the recipient committee or candidate. Participating candidate committees may not accept in-kind contributions. General Statutes § 9-601a(a).

Loans: Participating candidate committees may only accept loans from financial institutions, and those loans may not exceed the aggregate amount of $1,000. Participating candidates may not accept personal loans or any other type of loans other than from financial institutions. General Statutes § 9-710(a).

Major Party: A political party or organization whose candidate for Governor in the most recent gubernatorial election received at least twenty percent of the whole number of votes cast for all candidates for Governor in that election, or a political party having a number of enrolled members on the active registry list equal to at least twenty percent of the total number of enrolled members of all political parties on the active registry list in the state at the time of the last gubernatorial election. General Statutes § 9-372(5).

Minor Party: A political party that is not a major party and whose candidate for the office in question received at the last-preceding regular election for such office, under the designation of that political party or organization, at least one per cent of the whole number of votes cast for all candidates for such office at such election. General Statutes § 9-372(6).

Minors: Individual human beings under the age of eighteen, who are limited to contributing $30 in the aggregate to any committee. A contribution from a minor under the age of twelve is not considered a qualifying contribution, even if $30 or less. General Statutes §§ 9-611(e), 9-704(c).

Non-Independent Expenditures: Considered impermissible for participants in the Program, non-independent expenditures (also known as coordinated expenditures) occur when a candidate or treasurer or consultant or agent thereof is involved with promotions, fundraising events, or other campaign-related efforts benefiting the candidate but paid for by an entity or person. Non-independent expenditures—deemed in-kind contributions—include advertisements and production of other communication media that clearly identify the candidate as well as events or fundraising efforts to benefit the candidate directly. See General Statutes § 9-601c. *Compare to* **Independent Expenditures**.

Nonparticipating Candidate: A candidate who certifies to the Commission his intent not to abide by the expenditure limits under the Citizens' Election Program by timely filing an affidavit (SEEC Form CEP 11) stating that he will not abide by the Program expenditure limits. Candidates claiming an exemption from forming a candidate committee (1B filers) are deemed nonparticipating candidates and are not required to file an affidavit of intent not to participate (SEEC Form CEP 11). Participating candidates who file an Affidavit of Withdrawal (SEEC Form CEP 13) and who the Commission's deems withdrawn from the Program are also nonparticipating. General Statutes § 9-703.

Non-Qualifying Contributions: Contributions that are from impermissible sources or that exceed the contribution limit – $100 (statewide candidates) / $250 (General Assembly candidates) in the aggregate from any individual – are non-qualifying contributions and must be returned or refunded to the contributor. Anonymous or otherwise impermissible contributions that cannot be returned must be forwarded to the State. General Statutes §§ 9-606(b), 9-704(a) and (c), 9-706(b)(4).

Organization Expenditure: Certain expenditures made by legislative caucus, legislative leadership or party committees for the benefit of candidates. Organization expenditures may only be made for limited purposes. Eligible committees making organization expenditures must be extremely cautious to ensure that their activity constitutes an actual organization expenditure, otherwise the committee may cause a participating candidate to violate Program requirements. The committee making an organization expenditure must disclose it on its financial disclosure statement and must notify the candidate who benefits from the expenditure. The Program sets limits on the amount of organization expenditures for General Assembly candidates. General Statutes §§ 9-601(25), 9-608(c)(5) and (6), 9-718.

Participating Candidate: Upon notifying the Commission of their intent to voluntarily abide by the expenditure limits under the Citizens' Election Program by filing an Affidavit of Intent to Abide by Expenditure Limits and Other Citizens' Election Program Requirements, candidates shall be referred to as "participating candidates," meaning they are participating in the Program and subject to the limitations, reporting requirements, and all other Program provisions applicable to participants. General Statutes § 9-703(a) and (b).

Permissible Sources, **Permissible Donors**: Only contributions made by individual human beings or sole proprietorships will count as "qualifying contributions" to a participating candidate's campaign and assist the candidate in satisfying the necessary minimum contribution requirements from qualifying contributors to meet the Program thresholds. General Statutes § 9-704; Declaratory Ruling 2007-03. *See also* **Impermissible Donors**, **Impermissible Sources** for more detailed information.

Person: An individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company or any other legal entity of any kind but does not mean the state or any political or administrative subdivision of the state. General Statutes § 9-601(10).

Personal Funds: Participating candidates may provide a limited amount of personal funds to their candidate committees. Personal funds can only be provided before a participating candidate applies for a grant. Candidates for Governor may provide up to $20,000 in personal funds, other statewide office candidates up to $10,000, state senate candidates may provide up to $2,000, and candidates for state representative up to $1,000. Any personal funds that a candidate provides will reduce that candidate's Program grant by a corresponding amount. General Statutes § 9-710; *see also* Declaratory Ruling 2007-01.

Petitioning Candidate: A candidate who becomes eligible to be on a ballot by virtue of obtaining the necessary amount of signatures of qualified electors on forms prescribed by the Secretary of the State in accordance with General Statutes §§ 9-453a *et seq*.

Primary Campaign: Beginning on the day following the close of (A) a convention held pursuant to General Statutes § 9-382 for the purpose of endorsing a candidate for nomination to General Assembly or statewide office, or (B) a caucus, convention or town committee meeting held pursuant to General Statutes § 9-390 for the purpose of endorsing a candidate for the municipal office of state senator or state representative, whichever is applicable. The primary campaign period ends on the day of a primary held for the purpose of nominating a candidate for such office. General Statutes § 9-700(11). *See also* **General Campaign**.

Prohibited Donors, **Prohibited Sources**: Participating candidates may not receive contributions from principals of state contractors and prospective state contractors (which includes their immediate family members), anonymous contributions, contributions from individuals who are not United States citizens or green card holders, or contributions from individuals who are less than twelve years of age. Moreover, contributions from entities or other committees are not allowed. There are additional prohibited sources and prohibited donors for candidates for State Treasurer. General Statutes §§ 9-612(e), 9-704(c).

Program: *See* **Citizens' Election Program.**

Principal of a State Contractor or Prospective State Contractor: An impermissible source for qualifying contributions under the Program. For purposes of the contribution and solicitation provisions, such individuals are identified as follows:

For Business Entities (including all types of businesses, regardless of its form of organization): (1) directors; (2) owners of at least 5% of business; (3) president, treasurer, executive vice president; (4) employees with managerial or discretionary responsibility with respect to the state contract, meaning those employees who have direct, extensive, and substantive responsibilities with respect to the negotiation of the state contract rather than peripheral, clerical, or ministerial responsibilities; (5) the spouse and dependent children eighteen years or older of all of the above individuals; (6) any political committee established or controlled by the business entity or by any of the above individuals.

For Non-Profit Organizations (all types of non-profits, regardless of tax exempt status): (1) chief executive officer or, if none, officer with comparable duties; (2) employees with managerial or discretionary responsibility with respect to the state contract, meaning those employees who have direct, extensive, and substantive responsibilities with respect to the negotiation of the state contract rather than peripheral, clerical, or ministerial responsibilities; (3) the spouse and dependent children eighteen years or older of all of the above individuals; (4) any political committee established or controlled by the nonprofit organization or by any of the above individuals.

Note that the same definition of the term principal applies to subcontractors for purposes of the subcontractor solicitation ban. General Statutes § 9-612(f)(1)(F).

Prospective State Contractors: An impermissible source for qualifying contributions under the Program, prospective state contractors include any person, business entity, or nonprofit organization that submits a bid or proposal on a state contract or request or that holds a prequalification certificate issued by the Commissioner of Administrative Services. General Statutes § 9-612(f)(1)(E). The Commission maintains lists of prospective state contractors on its website, http://www.ct.gov/seec. Please note, these lists are not exhaustive and there may be additional prospective contractors that are not listed.

Qualified Candidate Committee: A candidate committee established to aid or promote the success of any candidate for nomination or election to statewide office or General Assembly, and approved by the Commission to receive a grant from the Citizens' Election Fund under the parameters of General Statutes § 9-706. General Statutes § 9-700(12).

Qualifying Contributions: A monetary contribution between $5 and $100 (statewide office candidates) / $250 (General Assembly candidates) from an individual human being or sole proprietorship who is an otherwise permissible contributor. General Assembly candidates must receive a minimum amount of qualifying contributions from "in-district" contributors, i.e. individual human beings or sole proprietorships "residing in" municipalities located in whole or in part in the district where the candidate seeks office. Note that contributions from principals of state contractors or prospective state contractors or minors under the age of twelve are not considered qualifying contributions. Note also that "in-kind" contributions do not constitute qualifying contributions and are not permitted under the Program. General Statutes § 9-704.

Solicitor: A solicitor is any individual who is appointed by the campaign treasurer to receive funds or resources on behalf of the committee. There are no limitations on the number of solicitors that the treasurer may appoint on behalf of the committee. A candidate may serve as solicitor for his or her own campaign. Certain individuals are restricted from soliciting donations on behalf of a candidate or committee. See the "Solicitors" section in this Guide. General Statutes §§ 9-601(14), 9-606(c), 9-622(11).

State Contract: An agreement or contract with the state, any state agency or quasi-public agency, obtained through a procurement process or otherwise valued at $50,000 or more for a single contract, or $100,000 or more for a series of contracts in a calendar year. The contract must be for (1) the rendition of services; (2) the furnishing of any goods, material, supplies, equipment or any item of any kind; (3) the construction, alteration, or repair of any public building or public work; (4) the acquisition, sale or lease of any land or building; (5) a licensing arrangement; or (6) a grant, loan, or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense. General Statutes § 9-612(f)(1)(C).

State Contractors: An impermissible source for qualifying contributions under the Program, state contractors include any person, business entity, or nonprofit organization that enters into a state contract, as described above. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee. General Statutes § 9-612(f)(1)(D).

The Commission maintains lists of state contractors on its website, http://www.ct.gov/seec. Please note, these lists are not exhaustive and there may be additional contractors that are not listed. General Statutes § 9-612(g)(1).

Subcontractor: Any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization is deemed to be a subcontractor until December 31st of the year in which the subcontract terminates. "Subcontractor" does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service or full or part-time, and only in such person's capacity as a state or quasi-public agency employee. *See* General Statutes § 9-612(f)(1)(K).

Supplemental Campaign Finance Disclosure Statements: Candidates in a race with at least one participating candidate must file weekly supplemental statements with the Commission beginning a few weeks before primary day (if applicable) and/or the date of the general election. Such weekly supplemental statements replace the 90% filing system. Committees that file the weekly filings are not required to file the 7th day preceding primary (if applicable) and 7th day preceding election filings. See **Chapter VIII** for more information. General Statutes § 9-712(a)(1)-(2).

Supplemental (post-election) Grants (minor party/petitioning candidate campaign deficits): If a minor party or petitioning candidate receives a greater percentage of votes in the general election than the percentage of votes the candidate used to qualify for a grant and that candidate's campaign reports a deficit after the general election, the participating minor party or petitioning candidate may receive a supplemental grant from the Program. General Statutes § 9-705(g)(3).

Treasurer: The individual appointed by a candidate to receive and disburse funds on behalf of the candidate or committee and to comply with all campaign finance reporting and recordkeeping provisions. The treasurer must be a registered voter in the State of Connecticut. General Statutes § 9-601(12).