

TREASURER'S BEST PRACTICES CHECKLIST

How to Avoid Common Mistakes



This fact sheet is intended only as a guide for committees of candidates participating or who intend to participate in the *Citizens' Election Program*. You can call your Candidate Services Liaison at 860-256-2985 for additional assistance. Treasurers are further advised to refer to the specific statutory provisions, regulations, declaratory rulings and advisory opinions mentioned in the *Participating Candidate Guidebook*.

Over the last few election cycles SEEC staff has identified common recordkeeping and disclosure mistakes. This factsheet is intended to outline the most common mistakes and provide guidance on how to avoid them. Note that all alphabetical section references (i.e. Section N) are to sections in SEEC Form 30, Itemized Campaign Finance Disclosure Statement.

1. Forgetting to make copies of every check and all other committee records.

Deposits: Before depositing receipts (especially contributions!) treasurers should make **two** copies of every check, every certification form, and any other contribution documents: 1) one copy for the committee's internal recordkeeping responsibilities and 2) one copy for the grant application package submitted to the SEEC.

Expenditures: Treasurers must also ensure that they have copies of every check written by the committee which clears through the committee depository. The committee must also obtain and retain invoices, contracts, purchase orders, timesheets and wage agreements. See "*Treasurer's Best Practices: Records Treasurers Must Obtain, Copy and Keep*" for more information.

2. Failing to enter into written contracts with individuals hired by the committee to be paid more than \$100. Such contracts must be entered into prior to the performance of services.

Any worker, including the campaign treasurer, who will be paid in excess of \$100.00 (in the aggregate) for services must have a written contract with the committee entered into prior to the performance of services.

Ironically one of the most common omissions is failing to obtain a signed contract with the committee's treasurer because the treasurer often performs his or her duties immediately after the committee forms.

All committee contracts must be authorized by the campaign treasurer; however, they may be signed by the treasurer, the candidate, the campaign manager or another agent of the committee at the treasurer's direction. Service contracts with the campaign treasurer must be signed on behalf of the committee by someone other than the treasurer (such as the candidate).

Note that following the election or an unsuccessful primary, a committee may make a payment of up to \$1,000 to the campaign treasurer for services rendered. While a contract need not be in place prior to the service being rendered in this limited instance, the committee must still maintain documentation to substantiate the expenditure.

If any committee worker has originally volunteered his or her services to the committee, but later will be paid more than \$100.00 for those services, please note this change from volunteer to paid status in the contract in order to avoid the appearance of an impermissible in-kind contribution to the committee.

Follow this link to the [Citizens' Election Program forms](#) (links to sample hiring forms are at the bottom of this webpage) and to the applicable [employment documentation SEEC regulations](#).

3. Failing to report incurred expenses.

Once a committee becomes legally obligated to pay an expense, even if the expense will be actually paid in the future, the expenditure must be disclosed in the reporting period during which the expense was incurred. If such payment is not due until a later reporting period, the expense must be reported as incurred, but not yet paid, in Section Q, *Expenses Incurred by Committee but Not Paid During this Period*. Note that this includes payments to a consultant under a consulting contract where payment is not based on hours worked but instead where the work performed occurs over the duration of the contract.

4. Reimbursements to the candidate and committee workers not fully disclosed in both applicable sections of SEEC Form 30.

Both the reimbursement and the "secondary payee" must be reported.

Reimbursement: Remember to report the payment from the committee to the candidate or worker in Section N, *Expenses Paid by Committee*, using expenditure code "RCW". The date of payment is the date the candidate or worker is paid.

Secondary Payee: You must *also* itemize the details about the vendor that the candidate or committee worker paid using personal funds. The date of payment is the date the item(s) or services were purchased. If the reimbursement is to the candidate, then report this information in Section O, *Expenses Paid by Candidate*. If the reimbursement is to a committee worker, then report this information in Section R, *Itemization of Reimbursements to Committee Workers and Consultants*.

For example, if you are reimbursing the candidate for a purchase he made at ABC Office Supply, you should report the committee check to the candidate in Section N and itemize the reimbursement details (the payment by the candidate to ABC Office Supply) in Section O.

You must obtain receipt(s) for the purchase(s) from the candidate or worker and reimburse within a reasonable amount of time. The Commission has said that 45 days would satisfy this reasonableness test.

5. Exceeding “petty cash” limits.

There are two petty cash limits – the amount that may be drawn at one time from the committee bank account and the amount that may be paid with petty cash at one time. Although the committee may establish a petty cash fund of no more than \$100.00, the treasurer cannot pay any expense greater than \$50.00 out of this fund. The petty cash fund cannot be replenished to its \$100.00 limit more than twice in a seven day period. The treasurer **must** keep a log or other written record of all payments made out of petty cash, including the type of expenditure, and obtain receipts for purchases or expenditures made from petty cash. Note that the rules for Non-Participating Candidates differ slightly with respect to petty cash.

When **creating or replenishing** the petty cash fund, report the amount in Section N, using the purpose of expenditure code “PETTY”. If your committee wishes to return petty cash to the depository, report the amount deposited in Section I, *Miscellaneous Monetary Receipts not Considered Contributions*.

6. Failing to report receipts other than contributions, such as refunds from vendors or returns of deposits.

Other receipts are often omitted because they come at the tail end of the campaign – remember to get your security deposits and refunds back!

Report refunds, returns of security deposits, and the receipt of the test transaction (“penny test”) after filing a SEEC Form CEP 12 (Electronic Funds Transfer Form) in Section I, *Miscellaneous Monetary Receipts not Considered Contributions*.

7. Failing to close the bank account after filing a termination statement, or filing a termination statement that shows a balance still in the account.

A termination is not merely a filing, but also the dispersal of all monies and closure of the bank account. However, **do not** close the bank account until the last committee check written (usually the surplus distribution check) clears.

The summary page total in a termination statement should always show a balance of zero.

8. Failing to report certain expenditures, such as bank charges.

Remember that all monies must go through the single depository account and that everything that passes through the single depository account must be disclosed. Bank charges are frequently omitted from disclosure simply because they are automatic and usually small. Report an automatic bank charge in Section N, in the period in which it occurred, and check off Debit Card in the Method of Payment box, and enter “BNK” as the purpose of expenditure.

9. Forgetting to report the buffer check when applying for a grant.

Remember to report the payment of excess qualifying contributions ("buffer check") to the Citizens' Election Fund, in Section N of the SEEC Form 30 covering the period in which you wrote the check, and use the purpose of expenditure code "CEF".

10. Incorrect reporting of online credit card contributions.

Many committees incorrectly report the net amount of contributions received *after* any fees to the online gateway are paid. However, the contribution should be reported separately from the fees. Report in Section B the **full** amount of every contribution made by credit card online, and do not subtract from the contribution amount any fees charged per contribution by the online gateway or merchant account provider.

Instead, report the fees charged or subtracted from contributions by the online gateway or merchant account provider, as reported to you (daily, weekly, bi-weekly, etc.), as a committee expenditure in Section N.

11. Use of committee debit card by persons other than the treasurer or deputy treasurer.

Debit Card: Only the treasurer (and deputy treasurer, if applicable, in the treasurer's absence) may utilize the committee debit card, or write checks from the committee's depository account.

Credit Card: Treasurers of committees of candidates participating in the Citizens' Election Program may not use a committee-issued credit card.