



## EXPLORATORY DISSOLUTION/CANDIDATE COMMITTEE FORMATION *A Checklist for Candidates who Intend to Participate in the Citizens' Election Program*

*This checklist is intended only as a guide for candidates who are dissolving an exploratory committee and transitioning into a participating candidate committee. This checklist does not replace laws and regulations relating to these topics.*

*Contact Candidate Services at 860-256-2985 with any questions.*

### Triggering Events Necessitating 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.

\*See [Declaratory Ruling 2009-01: "Public Declarations by Candidates in an Exploratory Committee,"](#) available at the Commission's website [www.ct.gov/seec](http://www.ct.gov/seec).

**Best Practice:** If your exploratory committee has received non-qualifying contributions in excess of \$100 and you wish to return the excess to the contributor in order to make the contribution a qualifying contribution (\$100 or less), do so before the triggering event occurs.

**Best Practice:** You will be required to submit a "carry forward" form that describes all of the assets of your exploratory committee (other than those disclosed in your SEEC Form 30) that you intend to use for your candidate committee. Please submit this form with your termination statement. See [CARRYING FORWARD](#) section.

**Best Practice:** Open up a **new** depository account for the candidate committee AS SOON AS POSSIBLE after the triggering event, and register the candidate committee by filing SEEC Form 1 and 1A with the SEEC no later than ten days after soliciting or receiving funds from any source or making or incurring expenditures to further the candidate's candidacy. 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. **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.

**Best Practice:** Distribute the exploratory committee's surplus as soon as possible after all of the exploratory committee's debts are paid and the new candidate committee account has been opened, and file the exploratory committee's termination [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.



**REQUIRED:** Within 15 days of any of the triggering events listed above, the candidate **must** file a SEEC Form 5 with the Commission. During this time, the exploratory committee must 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 as well as the "carry-forward" form. See [CARRYING FORWARD](#) section. **This filing terminates the exploratory committee and should disclose the exploratory committee's distribution of surplus to the candidate committee or the CEF.**

**Remember:** The **20-day rule** for treasurers to return or deposit contributions still applies. Contributions made or received *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 depository account. If a contribution is made or 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.

**Important Note (Law Change):** Effective June 18, 2013, the 14-day rule to deposit or return contributions was changed to 20 days. See Public Act 13-180.

## Questions to Ask Prior to Dissolution

### Question 1

Will the exploratory committee have surplus funds after paying all its obligated expenses?

See [SURPLUS DISTRIBUTION](#) section.

### Question 2

What should I include in my carry forward form?

- a) Does the exploring candidate intend to carry forward to the candidate committee goods or services purchased or pre-paid during the exploratory committee's existence, such as a headquarters lease? See [CARRYING FORWARD](#) section.
- b) Did the exploring candidate benefit from any expenditures made or incurred to promote the candidate's primary or general election during the exploratory committee's existence that fall outside appropriate activities of an exploratory committee, which include communicating with potential nominating authorities, soliciting funds, polling or otherwise testing the waters? See [CARRYING FORWARD](#) section.
- c) ***If there are no items from (a) and (b) above, complete a carry forward form stating that no items are being carried forward.***

### Question 3

Will the exploratory committee be in DEFICIT after paying all of its obligated expenses?

See [DEFICIT](#) section.



## Dissolving the Exploratory Committee: Basic Reporting Requirements

### 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 after an event triggering dissolution.

### For the Campaign Treasurer:

- Mark the TERMINATION box in Section 9 of the Cover Page of the [SEEC Form 30](#), if filing by paper; OR
- Select Non-Standard Report and then “Termination” for Type of Report on the eCRIS Reporting Home page, if filing electronically via eCRIS.
- Complete, sign, 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.** Report the final surplus distribution in this termination filing.
- Complete the carry forward form and file it with the Commission when filing the SEEC Form 30 marked “Termination.”

### **Period Covered in the Termination Statement**

- Report all activity of the exploratory committee, including the final surplus distribution** check(s) written to the candidate committee, beginning with the last day not covered by the prior exploratory committee SEEC Form 30 and ending 11:59 p.m. on the day before the Termination Statement 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), report all activity beginning with the date the exploratory committee’s first contribution was received or expenditure made or incurred and ending 11:59 p.m. on the day before the report is filed with the Commission.
- The period should close at 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.
- 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, including bank statements and the final bank statement showing a zero account balance, 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](http://www.ct.gov/seec).

## **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](#).
- Register the candidate committee by filing [SEEC Form 1/1A](#) with the Commission no later than ten days after soliciting or receiving funds from any source or making or incurring expenditures to further the candidate's candidacy, or 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** and no later than ten days after soliciting or receiving funds from any source or making or incurring expenditures to further the candidate's candidacy. 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 20-day rule to return or deposit applies to any other post-trigger contributions.
- Report the receipt of surplus funds from the exploratory committee in **Section C2**, "Reimbursements, Payments, or Surplus Distributions from other Committees," in the candidate committee's first itemized campaign finance disclosure, SEEC Form 30.



## Carrying Forward Goods & Services from Exploratory to Candidate Committee

- If the exploring candidate intends to carry forward to the same candidate's candidate committee goods or services purchased or pre-paid by the exploratory committee or any of the other items listed below, a **detailed "carry forward" form must accompany the exploratory committee's termination SEEC Form 30**. The campaign treasurer must identify:
  - ✓ Any durational agreement, such as a lease for headquarters, or ongoing consultant contract;
  - ✓ Purchase 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 (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 **"carry forward" form** accompanying the exploratory committee's termination SEEC Form 30 should **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 form should simply indicate that.*

## Reporting Sale of Equipment, Furniture, or Supplies by Exploratory Committee

An exploratory committee may choose to sell for fair market value to permissible recipients the equipment, furniture or supplies it purchased.

- 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 Purpose of 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 **"carry forward" form** accompanying the termination SEEC Form 30.



## Exploratory Committee Surplus Distribution

### *Exploratory Committee Treasurer:*

- Write an exploratory committee check to the candidate committee to distribute the portion of the surplus that fits the description of Qualifying Contributions (up to the qualifying threshold amount for the office sought).
- Write a committee check to the Citizens' Election Fund to distribute the portion of the surplus representing excess qualifying contributions (an amount above the qualifying threshold for the office sought) or non-qualifying contributions (contributions from party committees and political committees, individual contributions exceeding \$100, liquidated in-kind contributions, etc.).
- Report the distribution(s) in the exploratory committee's termination SEEC Form 30.

See [Declaratory Ruling 2007-02, "Citizens' Election Program: Surplus and Deficit of Exploratory Committees"](#) available at the Commission's website [www.ct.gov/seec](http://www.ct.gov/seec).

### **Reporting Distribution of Surplus**

- Report in Section N, "Expenses Paid by Committee," the committee check(s) distributing surplus to the candidate committee or to the Citizens' Election Fund, if applicable.
- 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**

- Detailed "**carry forward**" form about any goods and services carried forward from the exploratory committee to the candidate committee or complete the form indicating that **no** goods or services were carried forward;
- 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.



## Exploratory Committee Deficit

The exploratory committee 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.**

- Call Candidate Services (860-256-2985) with any questions.**
- 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).