STATE ELECTIONS ENFORCEMENT COMMISSION

A GUIDE FOR MUNICIPAL CANDIDATES

UNDERSTANDING THE CONNECTICUT CAMPAIGN FINANCE LAWS

Revised January 2019

Contact Us

Address:	*State Elections Enforcement Commission* *20 Trinity Street* *Hartford, Connecticut 06106-1628*
Main Telephone:	*860-256-2940*
Toll Free (outside Hartford area):	*866-SEEC-INFO*
Main Fax:	*860-256-2981*
Website:	*www.ct.gov/seec*
E-Mail:	*seec@ct.gov*

Cite this publication as: Understanding the Connecticut Campaign Finance Laws: A Guide for Municipal Candidates (Connecticut State Elections Enforcement Commission, Hartford, Connecticut), January 2019.

Table of Contents

I. Introduction 1

A. Changes in the Law 1
B. Changes in the Guide 1
C. Compliance and Candidate Services Units 2
D. Requesting Compliance Advice 2

II. Candidates and Committees 4

A. Becoming a Candidate 4
B. Registration of the Candidate and Disclosure of a Funding Source 4
C. When Formation of an Exploratory Committee is Permitted 7
D. A Candidate May Not Have More Than One Candidate Committee 8
E. When and How to Amend a Registration Statement 8
F. Designation of a Depository Institution for Committee Funds 8
G. Appointment of a Treasurer and Deputy Treasurer 9
H. Resignation and Replacement of a Treasurer or Deputy Treasurer 10
I. Who May Not Be Treasurer or Deputy Treasurer 10
J. "One Person One PAC" Rule 11

III. The Role of the Treasurer 12

A. Makes and Authorizes All Expenditures 12
B. Deposits All Monetary Receipts 13
C. Retains All Records and Receipts 14
D. Maintains Service Agreements 14
E. Files Periodic Disclosure Statements 15
F. Appoints Solicitors 15
G. Limitations on Who May Solicit Contributions 16

IV. Raising Funds for Your Campaign 18

A. Choosing a Funding Source 18
B. Permissible Contributions and Limits 20
   1. Candidate Committees 20
   2. Political Slate Committees 22
   3. Town Committees 22
   4. Exploratory Committees 23
C. Prohibited Contributions 24
   1. Contributions from Committees Not Registered in Connecticut 24
   2. Contributions from Certain Committees 24
   3. Contributions from Minors 25
   4. Contributions from Non-Citizens and Foreign Nationals 25
   5. Contributions from Businesses and Unions 25
D. Types of Contributions 25
   1. In-Kind Contributions 25
   2. Non-Independent (Coordinated) Expenditures 26
   3. Loans as Contributions 28

E. Other Sources of Funds – Donations and Funds Not Considered Contributions 28
1. Reportable Receipts 28
a. Certain Items of Personal Property Donated for a Fundraising Affair 29
b. Certain Business Entity Donations 29
c. Ad Purchases 30
d. House Parties 31
2. Non-Reportable Receipts 32
a. Organization Expenditures 32
i. Municipal Candidates Who May Receive Organization Expenditures 33
ii. Municipal Candidates Who May Not Receive Organization Expenditures 34
b. Donation of Food or Beverage for a Non-Fundraising Event 34
c. Use of Facility Space 35
d. Display of a Lawn Sign 35
e. *De Minimis* Campaign Activity 35
f. Communications to the Restricted Class 36
g. Independent Expenditures 36
h. The Use of Office or Office Equipment Provided by a Party Committee 37
F. Methods of Payment 37
1. Cash or Check 37
2. Credit Card (Online Contributions) 38
a. What Information is Required 38
b. What to Report 39
c. What Documentation to Keep 40

V. Spending Committee Funds 41
A. Permissible Expenditures Generally 41
B. Impermissible Expenditures Generally 41
C. Expense Sharing by Committees 42
D. Committee Worker Reimbursements 43
E. Petty Cash Funds 43
F. Committee Credit Cards 44
G. Computers and Other Electronic Equipment 44
H. Attribution Requirements for Written Communications 45
1. "Paid For By" 46
2. "Approved By" 46
3. Television or Internet Video Advertising Communications 47
4. Radio or Internet Audio Advertising Communications 48
5. Campaign "Robo" Telephone Calls 48
6. Special Requirements for Deficit After the Election 48
7. Exempt Communications 49
I. Testimonial Events 49

VI. Reporting Information 51
A. Who Reports? 51
B. How to Report? 51
C. Where to Report? 51

D. What Information Must be Reported? 52
1. Reporting Receipts 52
a. Contributions from Individuals 52
b. Monetary Receipts from Other Committees 54
c. Personal Funds 55
d. Prior Campaign Materials 55
e. Loans 55
f. Monetary Receipts not Considered Contributions 56
2. Reporting Fundraising Events 56
3. Reporting Expenditures 57
a. Expenses Incurred But Not Paid 57
b. Loan Repayments 58
c. Reimbursements to Committee Workers and Candidates 58
d. Payments to Consultants and Reporting of Secondary Payees 58
E. When to File? 59
1. Late Filing Fees 61
2. Copies of Disclosure Statements 61

VII. Termination of the Committee: Distribution of Surplus and Elimination of Deficits 62
A. Exploratory Committees 62
B. Candidate Committees 63
C. Political Slate Committees 65

VIII. General Prohibitions and Complaints 66
A. Vote Buying and Selling 66
B. Contributions in False Name 66
C. General Criminal and Civil Penalties 66
D. Unlawful Solicitation of Contributions or Making of Expenditures 66
E. Prohibition on Use of Public Funds 67
F. Prohibition on Gifts, Compensation and Honoraria to Elected Officials 67
G. Promise of Public Appointment or Position of Trust 67
H. Who May Bring a Complaint? 67
I. Form of Complaint 68

IX. Conclusion 69
Contact Us 69

X. Glossary 70

I. INTRODUCTION

This publication is designed to serve as a guide to financing the political campaigns of candidates for elective municipal office in Connecticut. The Connecticut campaign finance laws applicable to municipal campaigns are set forth in Chapter 155 of the General Statutes, Sections 9-600 through 9-625. Explanations of the laws applicable to candidates for other elective offices (i.e. statewide and General Assembly) are covered in separate publications prepared by the State Elections Enforcement Commission. Commission guides are also available for political committees that are formed to support or oppose candidates or referenda, and for party committees. These guides, as well as copies of the campaign finance laws, financial disclosure forms, contribution certification forms, and committee registration statements are available at both the State Elections Enforcement Commission's offices and on our website, at www.ct.gov/seec.

A. Changes in the Law

The 2017 and 2018 legislative sessions did not bring major changes to the campaign finance field for party committees. While a number of campaign finance bills were brought forth during these years, the only ultimate change to the law impacting party committees was some 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.

It is also worth noting that the Commission completed the Municipal Campaign Finance Filing Pilot Program under which twenty towns had their filings duties transferred to the Commission for the 2017 election cycle. Candidates and committees in those towns will resume filing with the town clerks this cycle now that the program has ended. The Commission will be preparing a report for the legislature and we will see whether the legislature makes any permanent changes for the 2021 election cycle and beyond.

B. Changes in the Guide

This Guide incorporates the above-referenced changes to the law, which are denoted by reference to the public acts and at times are emphasized in "Important Notes." The Guide also offers additional clarification of existing law based on questions received by Commission staff over the past two years as well as cases brought before the Commission.

We wholeheartedly welcome suggestions for future improvements to this Guide from you, the candidates and treasurers, town clerks, and campaign workers that are its 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.

C. Compliance and Candidate Services Units

The Commission's Compliance and Candidate Services Units assist candidates, treasurers and campaign staff in understanding and complying with campaign finance rules and requirements. Members of these units are available to answer questions, listen to suggestions, and provide support.

Important Note: Your first point of contact should be the Candidate Services Unit, which may be reached at 860-256-2985.

D. Requesting Compliance Advice

Anyone subject to Connecticut's campaign finance laws may contact the State Elections Enforcement Commission to discuss how the campaign finance provisions apply to them in a particular situation. You may request advice by calling the Commission's offices or by writing to us via U.S. mail or e-mail. PLEASE DO NOT request advice for the SAME QUESTION using more than one of point of contact in the agency.

1. **Call the Candidate Services Unit at (860) 256-2985**.

OR

2. **Make a written request for advice**.

You may submit a request for advice by emailing **seec@ct.gov** or by sending a letter to:

State Elections Enforcement Commission
Attn: Candidate Services Unit
20 Trinity Street – 3rd Floor
Hartford, CT 06106

In your written request for advice, please include a complete description of all relevant facts and a specific question. Your request must concern a specific transaction or activity that you plan to undertake or are currently undertaking and intend to continue in the future.

The Commission and/or its staff issue three types of written advice: opinions of counsel, advisory opinions, and declaratory rulings. An **opinion of counsel** is an opinion by SEEC staff counsel; it is not binding on the Commission. The person requesting the opinion of counsel 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 of counsel. If there is an omission or change in any of the 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.

When the Commission receives similar questions from various individuals or concludes that the regulated community would best be served by more general, written guidance, the Commission may opt to issue an **advisory opinion**. An advisory opinion is an official Commission statement on a question relating to the application of Connecticut campaign finance law. Unlike an opinion of counsel, upon which only the recipient named in the opinion may rely, the regulated community at large may rely on an advisory opinion, which is voted on and adopted by the Commission.

Finally, the Commission may issue a **declaratory ruling.** A declaratory ruling affords the Commission the opportunity to rule on the validity of any regulation or the applicability to specified circumstances of a provision of the General Statutes, a regulation, or a final decision on a matter within the jurisdiction of the Commission. An individual may petition for a declaratory ruling or the Commission may initiate a proceeding on its own motion. A petition for a declaratory ruling must: (1) state clearly and concisely the substance and nature of the petition; (2) identify the statute, regulation and/or order which the petition concerns; (3) identify the particular aspect to which the petition is directed; and (4) be accompanied by a statement of any supporting data, facts, and/or arguments that support the petitioner's position. Like an advisory opinion, a declaratory ruling has general applicability.

The Candidate Services and Legal Compliance Units will NOT respond to requests for oral or written advice concerning:

1. **The conduct of another individual, committee, or entity.**

   The Compliance Unit may provide you only with advice concerning your own conduct. Complaints about the conduct of another individual, committee, or entity should be registered through the complaint process administered by our Enforcement Unit.

2. **Conduct that has already occurred.**

   The Compliance Unit may provide you only with advice concerning your current or future conduct.

3. **Issues that are not covered under the campaign finance statutes.**
   The Compliance Unit may only provide you with advice concerning Chapters 155 through 157 of the General Statutes and General Statutes 9-7a and 9-7b, the enabling statutes for the State Elections Enforcement Commission.

II. CANDIDATES AND COMMITTEES

A. Becoming a Candidate

A *candidate* is an *individual* who seeks nomination or election to public office, whether or not such individual is successful. An individual is deemed to have become a candidate if he or she personally or through another person:

1. Has solicited or received funds or other resources (personally, or through another person), or made expenditures, including expenditures from personal funds, for the purpose of bringing about such individual's nomination or election to any office;
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 spent); *or*
3. Is otherwise qualified for placement on the primary or general election ballot pursuant to the election laws (whether or not funds or resources have been solicited, received or spent).

An individual may also become a candidate by registering as a candidate and disclosing a funding source, as explained below.

Also under the law, an individual may have certain involvement with a party committee that would **not** trigger the individual's candidacy and the subsequent need to register. Specifically:

1. A party committee may make expenditures with the intent to bring about the individual's nomination for election or election to office and that does not trigger the individual's candidacy; and
2. An individual may solicit or receive contributions for the party committee that the party committee intends to use to support that individual's nomination for election or election to office and that also does not trigger the individual's candidacy.

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

B. Registration of the Candidate and Disclosure of a Funding Source

Each candidate is required to register with the town clerk of the municipality conducting the election or primary within ten days of becoming a candidate, as explained above. This means that registration is required within ten days after (1) campaign funds or resources were first solicited, received or expended by or on behalf of the candidate (other than by a party committee); or (2) the individual first became eligible to appear on a primary or election ballot, whichever is earlier.

Important Note: For individuals who become candidates by virtue of being endorsed by a party, it is the delivery of the endorsement paperwork to the proper authority (i.e. the town clerk) 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.

When they register, candidates must disclose the source of funding for their campaign. Generally, each candidate registers a *single candidate committee* to fund his or her campaign. A candidate is exempt from registering a candidate committee, however, if:

1. The candidate is part of a slate of candidates whose campaigns are being funded **solely** by a *political slate committee* formed for a single election or primary;
2. The candidate is part of a slate of candidates whose campaigns are being funded **solely** by a *town committee*;
3. The candidate is funding the campaign **entirely** from personal funds;
4. The candidate does not intend to receive funds exceeding **$1,000** or expend funds exceeding **$1,000**; *or*
5. The candidate does not intend to receive or spend **any** funds, including personal funds, for the campaign.

A candidate who qualifies for an exemption from forming a candidate committee must still register as a candidate (SEEC Form 1, along with SEEC Form 1B).

[General Statutes §§ 9-604(a) and (b), 9-623(b)(3) and (4)]

Important Note: For a full discussion of the implications of each type of funding source, please see **Chapter IV. Raising Funds for Your Campaign**. Candidates choosing a funding source for their campaigns should consider the contribution limits that apply to each. The funding source you choose determines who can give to your campaign, how much they can give, and what committees can support you.

Registration is accomplished by filing a SEEC Form 1, "Registration by Candidate," with the town clerk within ten days of becoming a candidate. If the candidate is registering a candidate committee, he must also file the SEEC Form 1A, "Candidate Committee Registration," which is part of the SEEC Form 1. If the candidate has elected to have his or her campaign funded solely by a political slate committee, by the town committee, by personal funds, or intends to spend or receive less than $1,000 or no money at all, the candidate must complete and file SEEC Form 1B, "Certification of Exemption from Forming a Candidate Committee," which is also part of the SEEC Form 1. Where a political slate committee will be the funding source, the political slate committee must also be registered which its chairperson accomplishes by filing with the town clerk a form entitled SEEC Form 3, "Political Committee (PAC) Registration."

Important Note: With its registration statement (SEEC Form 3), a **political slate committee** is required to file an itemized disclosure statement (SEEC Form 20) itemizing its **initial contribution**. If the initial contribution has not been received at the time the committee registers, the treasurer must file an itemized disclosure statement (SEEC Form 20) within **48 hours** of receiving its initial contribution.

A political slate committee is a committee formed by **at least two candidates**. In other words, a candidate cannot register as being funded solely by a political slate committee that has been set up to fund only that one candidate. In addition, a political slate committee cannot register unless it designates on its registration statement at least two identified candidates that it will support. The committee is free to amend its registration if other candidates would like to join the committee. Moreover, if all but one of the slate committee's candidates loses the primary, for instance, the remaining candidate may continue to be funded by the slate committee or may form a candidate committee. Contact your candidate services liaison for more information.

In appointing a treasurer, please keep in mind that an individual cannot serve as the chairperson, treasurer, or deputy treasurer of more than one political committee. This includes political slate committees. Please see Section J. "One Person One PAC" Rule, later in this chapter for more information.

An automatic late filing fee of **$100** applies to any failure of a candidate to meet registration deadlines. **The town clerk has no discretion to waive this penalty**, and if the candidate does not comply by registering the committee or filing the exemption form after written notice from the town clerk, the continued noncompliance subjects the candidate to additional penalties and fines.

Once a candidate establishes a candidate committee and raises or spends funds, that candidate is no longer permitted to file an exemption form (SEEC Form 1B) for that office. A candidate who formed an *exploratory committee* (see below) and then declares that he or she will seek nomination or election to a particular office **must** establish a candidate committee and cannot utilize any of the 1B exemptions.

[General Statutes §§ 9-601(28), 9-602(a), 9-603, 9-604(a) and (b), 9-605(a) and (b), 9-608(f)]

C. When Formation of an Exploratory Committee is Permitted

An *exploratory committee* is a committee formed by a candidate who has not yet decided whether to seek a particular public office so that he or she can "test the waters." 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 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.

Registration of an exploratory committee is accomplished by filing SEEC Form 4, "Exploratory Committee Registration," with the town clerk. The registration statement must designate the name and address of the *campaign treasurer*, *deputy campaign treasurer* (if any), the *depository institution* of the committee's checking account, and the election date.

As previously mentioned, an exploratory committee exists to allow a candidate to determine whether he would have a viable candidacy for a specific office. Under Connecticut law, the legitimate activity of an exploratory committee includes the promotion of one's nomination to the ballot. Once the candidate actually decides to pursue election to a particular office, the underlying purpose of his or her activities is no longer exploration but rather election to office and the candidate must roll into candidate committee. Certain circumstances trigger the requirement for a candidate to dissolve the exploratory committee:

- The candidate makes a public declaration of his/her intent to seek nomination or election to a particular public office; OR
- The candidate receives endorsement for a particular public office at a *convention*, *caucus* or town committee meeting; OR
- The candidate files candidacy for nomination under Section 9-400 or 9-405 of the General Statutes (forcing a party primary).

In addition, the candidate may decide, 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.

Within fifteen days of one of these triggering events, the candidate must terminate the exploratory committee and register a single *candidate committee*. Dissolution of an exploratory committee is further discussed later in this Guide, in **Chapter VII. Termination of the Committee: Distribution of Surplus and Elimination of Deficits**.

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

D. A Candidate May *Not* Have More Than One Candidate Committee

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 for such office.

Consistent with this prohibition, the chairperson of a *political committee* formed solely to support a single candidate must notify the candidate of the formation of the political committee by certified mail no later than seven days after the political committee is established. If the candidate does not disavow the political committee in writing to the town clerk's office within fourteen days after receiving such notification, or if the candidate accepts any funds from the political committee, 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 (b)]

E. When and How to Amend a Registration Statement

If there are any additions or revisions to a registration statement (i.e. a change in treasurer), the candidate must submit an amended registration statement SEEC Form 1 and SEEC Form 1A or 1B to the town clerk no later than ten days after the addition or revision. In the case of a town committee or a political slate committee, the chairperson must use SEEC Form 2 or SEEC Form 3, as the case may be, to amend the registration statement.

If a candidate who has filed SEEC Form 1B faces a change in circumstances regarding campaign funding and no longer qualifies for the 1B exemption for which he registered, he must file an amended registration statement within three business days of such change. The amended statement must indicate the new condition for which the candidate qualifies for an exemption. In the event that the candidate, as a result of any changes, no longer qualifies for any of the exemptions, the candidate must file the SEEC Form 1A, "Candidate Committee Registration," within the three days.

[General Statutes §§ 9-602, 9-604(b), 9-605(c)]

F. Designation of a Depository Institution for Committee Funds

The committee's registration statement must designate the name and address of a single *depository institution* located in Connecticut. 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** 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 as long as they have chosen a depository where they will be opening their account.

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

Important Note: There may be additional Internal Revenue Service (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 IRS's Tax Exempt and Government Entities Customer Account Services toll free number 1-877-829-5500. Additionally, information is available at the IRS website, www.irs.gov. Commission staff cannot provide information about these rules or requirements.

G. Appointment of a Treasurer and Deputy Treasurer

All committees are required to appoint one individual, who is a Connecticut elector, as treasurer and may appoint another individual as deputy treasurer. In order to serve as treasurer or deputy treasurer, the person must have paid any civil penalties or forfeitures assessed against him under the campaign finance statutes. The importance of choosing a reliable and conscientious treasurer cannot be overstated. It is also strongly recommended that each committee has a deputy treasurer, since only the deputy treasurer may deposit funds and make or authorize expenditures and other committee payments if the treasurer is unavailable. If a treasurer is unable to act for any reason and a candidate has failed to appoint a deputy treasurer, the committee may not make or incur any expenditures until the treasurer is available or a new treasurer is appointed.

For candidate and exploratory committees, candidates appoint the treasurer and deputy treasurer. In the case of a political slate committee, the chairperson is responsible for making the appointments. These appointments must appear on the committee's most current registration statement. A committee treasurer and deputy treasurer (if applicable) must co-sign the registration statement, filed by the candidate or chairperson, signifying their acceptance of the appointment. Once appointed, the treasurer and deputy treasurer serve for the duration of the committee (or indefinitely, in the case of a town committee). The *campaign treasurer* is solely responsible for receiving, depositing, and expending funds, for filing financial disclosure statements with the proper filing repository, and for keeping internal records of all transactions. For more information on the duties of a treasurer, please see **Chapter III. The Role of the Treasurer**.

Candidates who do not intend to spend more than $1,000 or who intend to spend no money at all do not need to form committees and therefore require no treasurer; in such cases, the candidate can perform the treasurer's duties. In the case of a candidate being solely funded by a town committee, town committees normally already have a treasurer in place. Note that if a candidate is being funded by a town committee, the candidate cannot serve as town committee treasurer during the election, as more fully explained below.

[General Statutes §§ 9-7b, 9-602(c), 9-604(a) and (b), 9-606(a) and (d)]

H. Resignation and Replacement of a Treasurer or Deputy Treasurer

A treasurer may resign or be replaced, or otherwise become incapacitated. A written statement of resignation must be filed with the town clerk in order to relieve the treasurer from his or her statutory obligations under the campaign finance laws. Upon a treasurer's resignation or permanent incapacity, the deputy treasurer, if any, automatically succeeds as treasurer until a new treasurer is 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 or *committee chairperson*, as the case may be. Regardless of whether a deputy treasurer has been appointed, it is strongly recommended that the candidate or committee chairperson designate a successor treasurer to fill the vacancy by filing an amended registration statement within the allotted time.

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 or committee chairperson, as the case may be, is legally liable for any such violation and subject to a civil penalty of up to $2,000 per violation.

[General Statutes §§ 9-7b, 9-602, 9-607]

I. Who May *Not* Be Treasurer or Deputy Treasurer

A candidate may never serve as treasurer of a committee that is the authorized funding source of that candidate's campaign. This is true whether or not the authorized funding source of the candidate's campaign is a candidate committee, an exploratory committee, a political slate committee, or a town committee. In the event that the candidate, by filing of the exemption form (SEEC Form 1B), has authorized a town committee to fund the campaign, and such candidate is, at the time of filing the exemption, the treasurer or deputy treasurer of the town committee, the candidate must immediately resign as treasurer or deputy treasurer. The candidate may not resume the office of treasurer or deputy treasurer of the town committee until the individual ceases to be a candidate.

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. As previously stated, a person may also not serve as treasurer or deputy treasurer unless he has paid all civil penalties and forfeitures assessed against him under the campaign finance statutes.

Commissioners and deputy commissioners of state agencies are prohibited from serving as committee treasurers because they are prohibited from soliciting funds for the benefit of any candidate, political committee or political party.

[General Statutes §§ 9-606(d), 9-622(11)]

There are additional restrictions on who may serve as treasurer of a town committee. For more information, please see the Commission's A Guide for Party (Town and State Central) Committees.

J. "One Person One PAC" Rule

No individual may establish or control more than one political committee. This rule extends to political slate committees that are the financing vehicle for a slate of candidates. The rule effectively means that an individual may not be the treasurer, deputy treasurer, or chairperson of more than one political committee including a political slate committee. Note that this prohibition does not extend to party committees and candidate committees. Accordingly, an individual may serve as the treasurer of both a political slate committee and a party committee or candidate committee under the law.

If you have any questions about this prohibition, please contact the Commission's offices.

[General Statutes § 9-605(e)(1)]

III. THE ROLE OF THE TREASURER

A. Makes and Authorizes All Expenditures

The treasurer (or deputy treasurer, when necessary) is the only individual who may authorize and make contributions or expenditures on the committee's behalf.

All committee expenditures must be made by committee check or debit card drawn on the committee's checking account or by the committee's credit card. Committee checks must contain the committee's name. Checks and debit cards may only be signed and used by the treasurer or deputy treasurer (if applicable).

Generally, committee expenditures should be made via a committee check signed by the treasurer. The committee may also pay its expenses on a credit card issued to the committee. If the committee has a credit card, the treasurer and deputy treasurer, if applicable, are generally the only individuals who are authorized cardholders. The treasurer may, however, allow a committee worker or candidate to be an authorized cardholder of a credit card issued to the committee, provided that the committee worker or candidate's credit card expenditures are: (1) for goods or services that are pre-authorized by the treasurer; and (2) for a lawful purpose of the committee. The treasurer should be particularly careful in opting to authorize a committee worker or candidate as an authorized cardholder as such authorization will mean that all expenditures made by the cardholder on that credit card will be deemed to have been authorized by the treasurer, even if the cardholder failed to obtain explicit authorization for the particular expenditure in question. A committee worker may only be an authorized holder of a committee credit card, which is paid on a periodic basis. A debit card, which draws directly from the committee checking account, is treated differently under the law. Debit cards may **only** be used by the treasurer.

[General Statutes §§ 9-606(a), 9-607(a), (d), (e), (g)(2)(O), and (j)]

A candidate is required to report to the treasurer each campaign expenditure of more than $50 that he or she has paid from personal funds. This disclosure must be made by the close of the reporting period in which the expenditure was made and must be reported even if the candidate does not seek reimbursement. If the candidate is seeking reimbursement for a personal expenditure, the candidate must report to the treasurer every dollar spent and indicate that reimbursement is sought at the time of this disclosure. The only exception to this disclosure requirement are campaign expenditures made by the candidate for telephone calls, travel and meals for which the candidate does not seek reimbursement, irrespective of the dollar amount. It is imperative that candidates timely report expenditures they have made to the treasurer.

A candidate who initially does not seek reimbursement for expenses may not later request reimbursement from the committee after the election has been held. A candidate may change his or her mind and elect to seek reimbursement *before* the election, however, and such a change would require the treasurer to amend "Is Reimbursement Claimed?" found in the appropriate entry in Section Q of SEEC Form 20 from "no" to "yes." Also, a candidate who initially sought reimbursement for an expense

he or she paid may decide at any time to not be reimbursed and treat the expense as a provision of personal funds but this varies based on the candidate's funding source – a candidate in a candidate committee can provide unlimited personal funds whereas a candidate funded by a town committee or political slate committee can only provide funds up to his individual contribution limit.

[General Statutes §§ 9-607(k), 9-608]

Importantly, reimbursements to candidates always require that (1) the candidate receives prior authorization from treasurer for the expenditure, (2) the candidate seeking reimbursement provides the treasurer with written receipts or other documentation from the vendor(s), and (3) the treasurer reports the reimbursement in detailed accounting on the committee's financial disclosure statement.

[General Statutes § 9-607(j)]

B. Deposits All Monetary Receipts

The committee's treasurer is also responsible for depositing all funds received by the committee into the committee's single checking account within 20 days of receipt. The candidate or the treasurer may decide to return any funds received by the committee before the funds are required to be deposited.

The treasurer must ensure that any funds or resources received by the committee are lawful and within the aggregate contribution limits permitted under the campaign financing laws. Receipts that are either prohibited or otherwise exceed the permissible limits set forth by law (see **Chapter IV. Raising Funds for Your Campaign**) should **not** be deposited. Rather, the treasurer should return them to the donor within 14 days of receipt or by the filing deadline for transactions falling within the reporting period, whichever is earlier. Non-monetary receipts that are from improper sources or excessive in amount or value must also be returned.

If a monetary receipt is deposited by the treasurer into the committee's account but is later determined to be impermissible, the treasurer must report it on the financial disclosure statement (SEEC Form 20) and refund the contribution without delay by returning the amount to the donor on a check drawn on the committee's checking account. Any such refund must be reported as an expenditure in Section P of the SEEC Form 20, 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. The same rules apply to non-monetary receipts that are from improper sources or that exceed the relevant contribution limit.

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

C. Retains All Records and Receipts

The treasurer must retain internal records in order to substantiate all claimed permissible expenditures made by the committee. Examples of expenditure records include, but are not limited to:

- bank statements
- cancelled checks
- bills
- travel itineraries
- invoices
- cash register receipts
- credit card and debit card slips and statements
- written receipts supporting any requests for reimbursement
- copies of ad books for fundraising affairs
- copies of fundraiser tickets
- copies of invitations
- solicitor appointments
- copies of checks
- compensation agreements
- documents describing expenditures incurred but not yet paid
- loan agreements
- copies of printed advertisements (flyers, postcards, etc.)

Treasurers of candidate committees must keep these internal records for four years from the date of the last report required to be filed. In the case of political slate committees and town committees, these internal records must be kept for four years from the date of the report in which the transactions were entered.

[General Statutes §§ 9-606(a), 9-607(f), 9-608(c)(1)]

For more guidance on the types of information that must be collected and retained, see **Chapter VI. Reporting Information**.

D. Maintains Service Agreements

In all instances where the committee agrees to pay a professional person more than $100 for his or her campaign or committee services, there must be a **written agreement** entered with the individual, signed **before** any such work or service commences, which sets forth (1) the nature and the duration of the fee arrangement; and (2) a description of the scope of the work to be performed or services to be rendered. The treasurer must also maintain contemporaneous records and/or invoices detailing the work performed or services rendered.

Important Note: If an agreement will involve, for example, paying a consultant who will be paying other vendors (i.e. secondary payees), the committee will best be served by including in the written agreement a requirement that the consultant disclose any secondary payees to the committee, and any pertinent information relating thereto, so that the committee treasurer can properly disclose such secondary payments, as required by law. *See* General Statutes § 9-608(c)(1).

Our sample fee arrangement for work or service, available on our website, provides language regarding this requirement for you to use in your contract with a consultant. We also have a sample reimbursement & secondary payee information sheet for the consultant to provide you when they are seeking reimbursement for an expenditure they made on behalf of the committee.

A committee may **not** compensate the candidate or the candidate's immediate family for campaign services. Immediate family includes the candidate's spouse and any dependent children residing in the candidate's household. The candidate or the candidate's immediate family may volunteer their services to the campaign and may also be reimbursed for permissible, authorized expenditures or purchases made from their personal funds without running afoul of the law.

[General Statutes § 9-607(g)(2)(L); Regulations of Conn. State Agencies § 9-607-1]

E. Files Periodic Financial Disclosure Statements

The treasurer is also obligated to file all financial disclosure statements on behalf of the committee. For more information on how and when to submit financial disclosure statements, see **Chapter VI. Reporting Information**.

F. Appoints Solicitors

The only individuals who may receive monetary and non-monetary contributions and donations on behalf of the committee are the treasurer, deputy treasurer, and *solicitors*. Anyone other than the treasurer or deputy treasurer who receives funds must be appointed as a solicitor by the treasurer. If the candidate wants to receive contributions or funds, the treasurer must appoint the candidate as a solicitor. The treasurer may appoint as many solicitors as needed. The treasurer should keep an accurate list of the name and address of each individual who is appointed to serve as a solicitor. Although the names of solicitors need not be disclosed in the committee's financial disclosure statements, the law requires the treasurer to keep internal records, including a record of each solicitor appointment and the term of appointment, which may be subject to audit.

A solicitor may never deposit committee funds; only the treasurer may deposit funds received by the committee. Within seven days of receipt of any goods, funds or contributions, the solicitor must deliver the same to the treasurer for acceptance. The treasurer must then deposit funds within twenty days of his or her receipt from the solicitor, or return impermissible contributions to the contributor(s). A solicitor may not expend funds that he or she receives, and must deliver them only to the treasurer in the form he or she received them (i.e. cash received from contributors must be delivered in same cash form to the committee's treasurer).

No later than 24 hours prior to the treasurer's required filing date, each solicitor must submit to the treasurer a list of the contributor information (names, addresses, and all other information legally required) of all persons from whom or from which monetary or non-monetary receipts were collected by the solicitor on behalf of the committee as of 96 hours before the filing deadline. The treasurer is responsible for overseeing committee solicitors and for making sure the solicitors turn over this list, as well as all contributions received, in a timely manner.

The following rules apply to solicitors:

- Solicitors must be appointed by the committee treasurer;
- Solicitors may receive monetary donations on behalf of the committee, but may never deposit them (only the treasurer can deposit and spend campaign money) and may never spend or authorize anyone else to spend such donations;
- Solicitors must deliver all contributions, in the form received, to the campaign treasurer within seven days of receipt; and
- Solicitors must submit to the treasurer a list of the names and addresses of all persons whose contributions were received or promised to be made. The campaign treasurer must receive a copy of this no later than 24 hours before each campaign finance disclosure filing deadline, and the list must be complete as of 96 hours before the filing deadline.

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

G. Limitations on Who May Solicit Contributions

Commissioners and deputy commissioners of state agencies may not solicit contributions on behalf of municipal candidates.

[General Statutes § 9-622(11)]

Municipal employees may not solicit contributions on behalf of municipal candidates from an individual under their supervision or from such individual's spouse or dependent children.

[General Statutes § 9-622(12)]

Chiefs of staff of legislative caucuses cannot solicit from employees of the legislative caucuses; chiefs of staff for a statewide elected official cannot solicit contributions from a member of such official's staff; and chiefs of staff for the Governor or Lieutenant Governor cannot solicit contributions from members of the staff of the Governor or Lieutenant Governor, or from any commissioner or deputy commissioner of any state agency.

[General Statutes § 9-622(14)-(16)]

If the candidate is being funded by a town committee, then there are additional restrictions on who may solicit on behalf of the town committee. For more information, please see the Commission's A Guide for Party (State and Central) Committees.

IV. RAISING FUNDS FOR YOUR CAMPAIGN

Municipal candidates and/or the committees funding them may raise funds through contributions from individuals and other committees, subject to certain limitations and prohibitions discussed below. While contributions are often monetary in nature, they may take other forms as well, known as in-kind contributions. In addition to contributions which are subject to limits on the amount that may be given, there are other limited types of funds and things a committee may receive which are not considered contributions. These few categories are narrowly defined. In many instances, these receipts or "donations" remain reportable.

Committees may raise funds by holding fundraising events, including political gatherings sponsored by the committee for which it charges an attendance fee, or tag sales or auctions at which the committee sells items to its invited guests. The issues which most commonly arise concerning a fundraising event are whether the funds or items given or received are treated as contributions or as donations which are not contributions, and how to disclose these types of receipts, if at all, on the committee's financial disclosure statement.

This section provides information regarding permissible and impermissible contributions, other permissible sources of funds, and the appropriate means by which funds may be collected. For more information on how to report these contributions and receipts, see **Chapter VI. Reporting Information**.

A. Choosing a Funding Source

As previously discussed, each candidate must register a single candidate committee to fund his or her campaign, unless he or she qualifies for one of the following exemptions from forming a candidate committee:

1. The candidate is part of a slate of candidates whose campaigns are being funded **solely** by a *political slate committee* formed for a single election or primary;
2. The candidate is part of a slate of candidates whose campaigns are being funded **solely** by a *town committee*;
3. The candidate is funding the campaign **entirely** from personal funds;
4. The candidate does not intend to receive funds exceeding $1,000 or expend funds exceeding $1,000; *or*

   > **Important Note**: For purposes of this exception, the $1,000 limit on funds received does not aggregate with the $1,000 limit on funds expended. For example, a candidate who has received $800 in contributions and spent $600 can still make use of this exception because he has not exceeded either separate limit.

5. The candidate does not intend to receive or spend **any** funds, including personal funds, for the campaign.

An individual who wishes to raise or spend campaign funds to "test the waters," and who has not yet decided which particular municipal office to seek, may also choose to form an *exploratory committee*, which is a *political committee* for an undetermined office. Candidates with exploratory committees can only choose a candidate committee as their funding source for the election, should they choose to run.

[General Statutes §§ 9-604(a) and (b), 9-623(b)(3) and (4)]

Candidates choosing a funding source for their campaigns should consider the contribution limits that apply to each. While the applicable limits will be discussed in greater detail in the next section, the chart below summarizes the limits for the most common forms of municipal funding sources: (1) candidate committees; (2) political slate committees; and (3) town committees.

Funding Source Comparison Summary

Recipient Committee	**Contributor Sources**			
	Individual	**State Central Party Committee**	**Town Committee**	**Ongoing Political Committee** *(Business Entity, Organization, Two or More Individuals)*
Candidate Committee for Chief Executive Officer of the Municipality ***(e.g. Mayor, First Selectman)****	$1,000/primary $1,000/general election *(candidate's personal funds unlimited)*	$10,000/primary $10,000/general election	$3,000/primary $3,000/general election	$1,500/primary $1,500/general election
Candidate Committee for Other Municipal Office*	$250/primary $250/general election *(candidate's personal funds unlimited)*	$5,000/primary $5,000/general election	$1,500/primary $1,500/general election	$375/primary $375/general election
Political Slate Committee	$1,000/year	$2,500/year	$1,500/year	$2,000/year
Town Committee	$2,000/year *(lobbyist and state contractor provisions apply)*	Unlimited	Unlimited	$1,500/year *(lobbyist and state contractor provisions apply)*

** Candidates who have filed the 1B exemption indicating they do not intend to spend or receive over $1,000 are subject to the same limits as candidate committees of candidates seeking the same office. For example, a second selectman candidate who has filed the 1B exemption as not intending to spend or receive over $1,000 may only receive $250 from an individual for the general election. Candidates who have filed a 1B exemption indicating they are self-financing or not intending to spend or receive any funds cannot receive any funds from any source (other than from the candidate himself in the case of a self-financing candidate) unless they amend their funding source on their registration statement.*

B. Permissible Contributions and Limits

1. Candidate Committees

A candidate in a candidate committee may provide his or her campaign with **unlimited personal funds**, which is a key difference from most other choices of funding sources.

A candidate committee may accept contributions from **individuals** subject to the following aggregate limits per contributor, which are fixed by the type of office being sought by the candidate:

Table 1-Individual Contribution Limits to Municipal Candidate Committees

OFFICE SOUGHT	LIMITS
Chief Executive Officer of the Municipality *(e.g. Mayor, First Selectman)*	$1,000*
Other Municipal Office	$250*

* *These limits apply separately if the candidate is involved in both a primary and the election. If the individual is younger than* eighteen years of age, he may only contribute up to $30.

EXAMPLE – Allocation of Contribution for Primaries or Elections: For purposes of allocating donor contributions between a primary and an election, any contribution made during the period beginning with the date that the committee was established through the date of the primary is counted towards the primary limitation, and any subsequent contribution is counted towards the election. Additionally, if the donor's contribution limit is $250 and he contributes $250 by primary day, then an additional $250 may be given by the same donor for the general election after primary day. Another donor who gave $100 of the applicable $250 limit by primary day would be allowed to give only $250 for the general election, even though she did not give the $250 contribution during the primary period. The application of these rules is dependent on two critical factors: (a) a candidate must be challenged in a primary, and (b) timing of receipt of the donor's gift in relationship to primary day. Additionally, the candidate must be on the general election ballot in order to qualify for additional contributions relating to the election.

No additional contribution limits apply if the candidate has a deficit following the election. In other words, if a contributor has already given the maximum amount to a candidate prior to the election, he may not contribute any more post-election to eliminate a deficit.

Contributions from a **political committee** may be accepted, subject to the following aggregate limits, which are fixed by the type of office being sought by the candidate:

Table 2-Political Committee* Contribution Limits to Municipal Candidate Committees

OFFICE SOUGHT	LIMITS
Chief Executive Officer of the Municipality *(e.g. Mayor, First Selectman)*	$1,500**
Other Municipal Office	$375**

* *Contributions from a political committee established solely to support or oppose referendum questions are prohibited, as are contributions from a legislative caucus or leadership committee or a political committee not registered in Connecticut.*

** *These limits apply separately if the candidate is involved in both a primary and the election.*

[General Statutes §§ 9-611, 9-613(d), 9-615]

Contributions from a **party committee** (state central or town committee) may be accepted, subject to the following aggregate limits, which are fixed by the type of office being sought by the candidate:

Table 3-Party Committee Contribution Limits to Municipal Candidates

OFFICE SOUGHT	STATE CENTRAL COMMITTEE*	TOWN COMMITTEE*
Chief Executive Officer of the Municipality *(e.g. Mayor, First Selectman)*	$10,000	$3,000
Other Municipal Office	$5,000	$1,500

***** *These limits apply separately if the candidate is involved in both a primary and an election.*

[General Statutes § 9-617(b)]

Unlike political slate committees, candidate committees can also benefit from **unlimited organization expenditures** from party committees. *See* **Organization Expenditures** later in this chapter for more information.

Important Note: In addition to the general prohibitions listed above, only the candidate's own exploratory committee may distribute surplus funds to the candidate's candidate committee. Surplus fund distributions are prohibited from an exploratory committee of an individual who is not the candidate of the recipient candidate committee. Additionally, a candidate committee may never accept contributions from another candidate's candidate committee.

[General Statutes § 9-608(e)]

2. Political Slate Committees

A candidate who has designated a political slate committee as his or her authorized campaign funding vehicle by filing SEEC Form 1B may benefit from an unlimited amount of expenditures from that committee.

Contributions from an **individual** eighteen years of age or older (including the candidate and the candidate's spouse) may be accepted by that committee, subject to a $1,000 limit per calendar year, irrespective of the type of municipal office being sought. Individuals under eighteen may only contribute up to $30 per calendar year to a political slate committee.

[General Statutes § 9-612(a)]

Contributions from a **political committee** may be accepted, subject to a $2,000 aggregate limit per donor per calendar year, irrespective of the type of municipal office being sought by the candidate. However, contributions from a political committee formed for a referendum question or a legislative caucus or leadership committee are prohibited.

[General Statutes §§ 9-613(e), 9-615(d), 9-618(a), 9-619(a) and (b)]

Contributions from a **party committee** may be accepted, subject to a $2,500 limit from a state central committee, and a $1,500 limit from a town committee, per calendar year.

[General Statutes § 9-617(b)(2)(B) and (c)(2)(B)]

Important Note: In addition to the general prohibitions listed above, a political slate committee **cannot** benefit from *organization expenditures* by the town committee. See General Statutes §§ 9-601(28), 9-604(b). Also, candidates on the slate can only contribute $1,000 to the committee, **not** unlimited personal funds.

3. Town Committees

Where a slate of candidates is being funded by a town committee, all contributions are made to the town committee and are therefore subject to the contribution limits applicable to town committees.

Contributions from an **individual** eighteen years of age or older, including the candidate and spouse, may be accepted subject to a $2,000 aggregate limit for the

calendar year. Individuals under eighteen may only contribute up to $30 per calendar year to a party committee.

[General Statutes § 9-612(a)]

Contributions from most **political committees** may be accepted subject to a $1,500 limit per calendar year.

Contributions from a candidate committee, exploratory committee or political committee established for a single election or referendum are prohibited except with respect to surplus following the termination of such committee.

[General Statutes §§ 9-608(e), 9-613(e), 9-615, 9-618(c)]

Contributions from another **party committee** (state central or town committee) may be accepted without limit.

[General Statutes § 9-617(a)]

Contributions from a **national committee** of a political party may be accepted without limit provided that any such contribution is from the national party committee's federal account on file with the Federal Election Commission and that such federal account contains only funds subject to the disclosure and contribution limits prescribed in the Federal Election Campaign Act. (No transfers from "soft money" accounts are allowed.)

[General Statutes § 9-617(d)]

Important Note: In addition to the general prohibitions listed above, contributions to town committees from **state contractors, prospective state contractors, and principals of state contractors and prospective state contractors** (which includes their immediate family members and political committees they established or control) are **prohibited**. (These restrictions do not apply to candidate committees and political slate committees for municipal office.)

Communicator lobbyists, members of the immediate family of communicator lobbyists, and political committees established or controlled by a communicator lobbyist or members of the immediate family of a communicator lobbyist may only give up to $100 to a town committee.

For more information on the state contractor and communicator lobbyist provisions, please see A Guide for Party (Town and State Central) Committees, available on the Commission's website.

[General Statutes §§ 9-610(g), 9-612(g)(2)(A) and (B)]

4. Exploratory Committees

Contributions to an exploratory committee are not counted against the particular donor's contribution limit with respect to the same candidate's candidate committee. Contributions are prohibited from another candidate's exploratory or candidate committee.

Contributions from an **individual** eighteen years of age or older may be accepted, subject to a $375 limit for the entire campaign, irrespective of the type of municipal office being sought. This limit applies to the candidate as well. Likewise, **political committees** (for business entities, two or more persons, or organizations) and **town committees** can contribute up to $375 to an exploratory committee. Contributions from a political committee established solely to support or oppose referendum questions are prohibited, as are contributions from a legislative caucus or leadership committee and contributions from a national committee of a political party.

[General Statutes §§ 9-611(b)(1), 9-615(b), 9-617(c)(2)(B), 9-618(d)(1), 9-619(e), 9-620]

C. Prohibited Contributions

There are several prohibitions on contributions that apply to all municipal campaigns and their associated committees.

1. Contributions from Committees Not Registered in Connecticut

Under Connecticut law, committees registered out-of-state may not give to committees formed in-state, with the exception of national committees of political parties which may give to town committees from their federal account. Thus, any political committee registered with the Federal Election Commission under federal law or under the laws of another state, but not in Connecticut, which desires to make contributions or expenditures to, or for the benefit of, any Connecticut candidate for office may do so only if such committee first registers in Connecticut and such committee's funds are solicited specifically for use in Connecticut campaigns. Likewise, a party committee registered under the laws of another state may not make contributions or expenditures to, or for the benefit of, any Connecticut candidate for office unless it registers in Connecticut and solicits funds specifically for use in Connecticut campaigns.

Treasurers receiving such contributions from entities not registered as committees in Connecticut must return the contributions immediately to the donor. The treasurer is advised to check with the town clerk and the Commission to determine whether a political or party committee is properly registered to make contributions in Connecticut. As a rule, contributions from any other committee or entity which is not registered in accordance with Connecticut's campaign finance laws are prohibited.

[General Statutes §§ 9-7b, 9-602, 9-617(d); Opinion of Counsel 1986-2]

2. Contributions from Certain Committees

Contributions from a political committee established solely to support or oppose referendum questions are prohibited, as are contributions from a legislative caucus or leadership committee. Contributions from a candidate committee are also prohibited, as are contributions from a committee of a candidate for federal or out-of-state office.

[General Statutes §§ 9-616(a) and (b), 9-617(d), 9-619(d)(3) and (e), 9-620(a)]

3. Contributions from Minors

An individual who is less than eighteen years of age may not give contributions to candidates or committees of over $30.

[General Statutes § 9-611(e)]

4. Contributions from Non-Citizens and Foreign Nationals

Contributions from an individual who is neither a United States citizen nor a foreign national with permanent resident status in the United States are prohibited.

[2 U.S.C. § 441e; 52 U.S.C. § 30121]

5. Contributions from Businesses and Unions

Contributions from a *business entity*, labor union or other *organization* are prohibited. Contributions from their associated political committees may be accepted, within limits, as outlined earlier in this chapter.

[General Statutes §§ 9-613, 9-615]

D. Types of Contributions

While contributions are often **monetary** in nature, there are other types of contributions which a candidate or committee may accept. The contribution limits and prohibitions discussed above apply to all forms of contribution, however, so you should keep the aforementioned limits and prohibitions in mind when accepting any of the types of contributions discussed below.

1. 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 normal charge less any amount paid by the recipient committee and must be disclosed in the committee's financial statements. A discount is the difference between the usual and normal charge for goods or services and the amount charged to the recipient candidate or committee. A discount is a type of in-kind contribution if it is given only to the candidate or committee. Discounts that are available to the general public on the same terms (i.e. a sale provided to all customers for 20% off certain products) are not contributions.

All contributions, including in-kinds, must be disclosed in the committee's financial statements. In-kind contributions are reported in Section M of SEEC Form 20.

Uncompensated services provided by an individual who volunteers his or her time to a committee (including use of his personal electronics, such as a computer or cell phone) is not an in-kind contribution and need not be reported. However, services that are provided by an individual which are compensated by another committee, individual, or any other entity, must be reported as an in-kind contribution, and are subject to source and amount restrictions. See exception for organization expenditures below.

Moreover, if the volunteer provides things of value to the campaign as part of his volunteer service that are not otherwise exempt from the definition of contribution, he must either be reimbursed for such items or the committee can report the items as an in-kind contribution, if within the appropriate limits.

Example of an In-Kind Contribution: Susan enjoys designing websites and has decided to volunteer her personal time and services to create and maintain a website for Candidate X's campaign, using her own personal computer. However, the cost of hosting the campaign website and purchasing a domain name will cost $200. While Susan is permitted to use her own personal computer and provide her personal time and computer skills as part of her volunteer services, either the committee must reimburse her for the cost of the site hosting and domain name, or that cost must be reported as an in-kind contribution from her to the campaign.

Each treasurer of a political or party committee which makes an in-kind contribution of goods to a candidate committee is required to send written notice to the recipient committee's treasurer setting forth the donor treasurer's valuation of the in-kind contribution. This notice must be sent by the donor committee's treasurer before the close of the recipient committee's reporting period in which the in-kind contribution was made. The notice must be signed by the treasurer of the donor committee and include the full name of the donor committee, the date on which the contribution was made, and a complete description of the contribution as well as a statement of the value of the contribution. Any dispute concerning the information contained in such notice must be resolved by the treasurer of the recipient committee. The treasurer is required to preserve each such notice issued or received for four years from the date of filing of the committee's termination statement. Note that individuals, businesses, and certain committees may also provide goods or services to a candidate committee that are not considered contributions, as is discussed more fully below.

[General Statutes § 9-606(a)]

2. Non-Independent (Coordinated) Expenditures

Candidates must be mindful when working 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 the candidate or committee, which constitutes a contribution and must be both from a permissible donor and within such donor's applicable contribution limit.

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 or committee. While the candidate or committee could overcome this presumption by showing that an expenditure truly was independent, candidates and 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 a coordinated expenditure was made, including but not limited to where:

- The person making the expenditure and the candidate or committee benefiting from the expenditure share the same leadership, consultants, or providers of creative services, including but not limited to advertising campaigns, polling, mail design, mail strategy, political strategy, general campaign advice or telephone banking;
- The person 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 person pays for political advertising or communications that uses material prepared by the benefiting committee or a consultant hired by the benefiting committee;
- The person pays for fundraising affairs on behalf of a committee; and
- The person 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.

Please see General Statutes § 9-601c for the complete list of rebuttable presumptions.

> **Important Reminder**: As noted throughout this Guidebook, the term "person" is defined broadly to mean "[a]n 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."

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 within a reasonable time, the coordinated expenditure constitutes an in-kind contribution to that candidate's campaign. 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. Moreover, if the Commission finds impermissible coordination, the candidate, agent, and/or treasurer who participated in or had knowledge of the coordination are jointly and severally liable for paying any penalty levied by the Commission.

Candidates who have established or control a political committee (other than a political slate committee) must be particularly mindful of that committee's activities during the election cycle. 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. 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 § 9-601c]

3. Loans as Contributions

Loans are considered contributions, except loans made in the ordinary course of business by a bank. Loans that are contributions are subject to the overall limit on contributions to the committee. The amount of the contribution is equivalent to the principal amount of the outstanding loan. An unpaid loan, when added to other contributions from the same donor, may not exceed the contribution limit applicable to that donor. Repayments made on the loan reduce the amount of the contribution. Once repaid in full, a loan no longer counts against the donor's contribution limit. The committee treasurer and the individual or entity making the loan must execute a **written agreement**, and the treasurer must retain a copy of the agreement for the same period as other internal records.

A loan is not a contribution if it is made by a bank or other financial institution in the ordinary course of its business to any committee or by the candidate to his **candidate committee**. The campaign should be sure to properly document in writing the incoming money from the candidate as a loan as opposed to the provision of personal funds which the candidate cannot get back. A candidate for municipal office may always forgive a loan he has made to his committee since he can provide unlimited personal funds. Where a candidate is funded by a political slate or town committee and makes a loan to that committee, the loan is considered a contribution and is subject to the overall contribution limit.

Important Note: Any loan given by a candidate to his **exploratory** committee is a contribution, limited to the applicable contribution limit from an individual to the exploratory committee, as the case may be.

[General Statutes § 9-601a(a)(1)and (b)(1)]

E. Other Sources of Funds – Donations and Funds Not Considered Contributions

As previously stated, certain monetary and non-monetary receipts are *not* considered contributions under the law. The following is a list of the most significant types of such receipts. Some of these categories must still be reported and where appropriate, we provide information regarding how to report them. For more information on reporting, see **Chapter VI. Reporting Information**.

Treasurers must be mindful that these exemptions are **narrow** and each receipt constitutes a "contribution" unless it squarely falls within one of the narrowly defined exemptions.

[General Statutes § 9-601a(b)]

1. Reportable Receipts

The following types of receipts are reportable even though they are not considered contributions. Once the limit imposed by a given exemption is exceeded, the entire receipt must be reported as an itemized "contribution" in Section B of the SEEC Form 20, (if permissible).

a. Certain Items of Personal Property Donated for a Fundraising Affair

An individual may donate an item or items of personal property to a committee for a fundraising event, or purchase such an item or items at the event and not have it counted as a contribution if the cumulative value of the items donated or purchased does not exceed $100 per event.

For *donations* not exceeding $100 in the aggregate, treasurers report them in Part II of SEEC Form 20 under Section L4, "In-Kind Donations Not Considered Contributions." For *purchases* not exceeding $100, treasurers are no longer required to list the names of the individuals who purchased such items but rather can report the purchases in lump sum in subpart 1 of Section L1 for the filing period.

[General Statutes §§ 9-601a(b)(9), 9-608(c)(1)]

Important Note: The full amount of a monetary receipt for an item purchased at a fundraising event is reported and is not reduced by the value of the item (i.e. price paid for television purchased at a committee sponsored tag sale is not diminished by the fair market value of the television).

EXAMPLE A: Jane Doe donates six commemorative plates to a committee to be sold at a tag sale, and the value of each plate is $10, for a total of $60. This non-monetary receipt is not a contribution, yet must be reported in Section L4 as an in-kind donation.

EXAMPLE B: June Smith buys one of the commemorative plates at the tag sale for $10. This is a donation not considered a contribution because her overall purchase does not exceed $100. The committee does not have to itemize June's purchase but rather may aggregate the $10 with any other purchases not considered contributions at the event and report that lump sum in subpart 1 of Section L1 without disclosing the individual names of June or any other such purchasers.

EXAMPLE C: John Smith buys the remaining five commemorative plates at the tag sale for $10 each, for a total of $50, as well as a table for $60. He has made a $110 contribution to the committee because the aggregate purchase price is over $100. This monetary receipt constitutes a contribution from John Doe of $110 which is counted against his contribution limit to the committee and must be separately itemized in Section B of SEEC Form 20.

b. Certain Business Entity Donations

Generally speaking, committees must pay fair market value when purchasing goods or services. Discounts from a business entity would be an in-kind contribution from an impermissible source. There are, however, a couple narrow exceptions to this prohibition.

The donation by a business entity of goods or services for a fundraising affair may be a permissible source of funds if the aggregate value of the goods or services does not exceed $200. These items are reported in Section L4 as an in-kind donation not

considered a contribution. Please note that a business entity may **only** donate goods or services that it sells or provides as part of its business. If the value of these goods or services exceeds $200, it is an **illegal business contribution**.

[General Statutes § 9-601a(b)(12)]

EXAMPLE D: ABC Corporation, a printing company, donates free printing services to a committee for a fundraising picnic worth $150 in value. This nonmonetary receipt is not a contribution, and must be reported as an "in-kind donation" in Section L4. Note that ABC Corporation would not be able to donate $150 worth of pizza for the picnic because it is in not in the business of selling pizza.

EXAMPLE E: The same corporation donates an **additional** $100 worth of printing to the fundraising affair. It has made a prohibited contribution because the value of the printing exceeds $200 – now at $250 for this event – and therefore this exemption does not apply. The in-kind donation may not be accepted and must either be returned immediately by the treasurer or purchased from ABC Corporation.

In addition, a business entity (e.g. a restaurant) may sell to a candidate committee food or beverage at a discount as long as the charge is not less than the cost to the business entity and the cumulative value of the discount given is not more than $400 with respect to any single election. A business entity may also sell to a town committee or a political slate committee food or beverage at a discount as long as the charge is not less than the cost to the business entity and the cumulative value of the discount given is not more than $600 in a calendar year.

[General Statutes § 9-601a(b)(6)]

c. Ad Purchases

Another exception to an impermissible business contribution is a business entity's purchase of advertising space in a program for a fundraising affair held by a municipal candidate committee, political slate committee, or town committee if the purchase price for the space does not exceed $250. Other persons can avail themselves of this exception, though they are limited to ad purchases of up to $50. "Other persons" for this purpose may be individuals, committees, labor unions, and other organizations. For a town committee event, this exception also extends to the purchase of advertising in the form of a sign at the event.

If the purchase exceeds the given exemption limit, then the entire amount constitutes a contribution. For example, if an individual gives a municipal candidate committee $200 in connection with a fundraiser ad book, this amount is above the $50 narrow exemption and therefore should be reported as a $200 contribution from the individual in Section B. However, if a business entity purchases advertising in the amount of $300 on a sign at a town committee fundraiser, this amount is above the $250 limit and the entire amount is therefore an impermissible business contribution.

Unlike the other fundraising exceptions, which apply separately to each fundraiser conducted by the committee, the advertising space purchase exception applies

cumulatively to all purchases by the same business entity or person during the entire campaign of the candidate (or during the calendar year in the case of a town committee or political committee's ad book). Moreover, in order to utilize this exception, the fundraising event must be a ***bona fide*** event intended to make a profit exclusive of any receipts from the sale of ads, and it must include an actual program for the fundraising event (and/or a sign at the event in the case of a town committee event). These transactions are reported in "Fundraising Event Activity," Part II, of the SEEC Form 20 in Section L3, "Purchases of Advertising in a Program Book."

EXAMPLE F: XYZ Corporation purchases $200 in advertising space in a program booklet for a fundraising dinner sponsored by "John Doe for Mayor," a candidate committee. This monetary receipt from the corporation is not a contribution and may be accepted. As previously stated, the treasurer is required to report all monetary receipts whether or not the funds received constitute a contribution to the committee. The $200 purchase is reported in the name of XYZ Corporation, together with other program booklet advertising receipts, in Section L3. XYZ Corporation may subsequently purchase no more than $50 of advertising space in program booklets for other fundraising affairs held by the same committee throughout the campaign.

For town and political committees, there are restrictions on ad purchases by communicator lobbyists and their family members, as well as state contractors, prospective state contractors, and their principals. Please review the Commission's A Guide for Party (Town and State Central) Committees for more information. Note that even though political slate committees may accept contributions from lobbyists and state contractors, they may not accept ad purchases from them.

[General Statutes §§ 9-601(10), 9-601a(b)(10)]

d. House Parties

There are also special provisions relating to expenses of a fundraising affair or gathering held for a candidate or committee in the personal residence of an individual (or a community room in the individual's residence facility).

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 limits described below:

- The cumulative value for **any single event** hosted by an individual on behalf of the committee may 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 for it to not count as a contribution.

- The cumulative value for any single event hosted by **two or more individuals** on behalf of the committee may not exceed $800. Thus, for example, if three people host an event for the committee at one of their homes, each person may spend up to $400 on the event but they may only spend $800 all together.

- The **aggregate**, cumulative value of the invitations, food, or beverages provided by an individual for **several events** hosted by that individual may not exceed $800 in total with respect to a single election in the case of a candidate committee or $800 per calendar year with respect to a town committee or political slate committee. In other words, an individual may host multiple events for the committee over the course of the election cycle (or calendar year in the case of a town committee or political slate committee) as long as the individual does not cumulatively spend over $800. Again, each event is subject to the dollar amounts listed above.

- The party must be held at the host's residential premises or a community room at such individual's residence facility in order to qualify for the exemption. In the case of multiple hosts, at least one must own or reside at the residential premises.

- While the host(s) must generally pay for all costs associated with the event in order to make use of the house party exemption, a candidate or committee may pay for a portion or all of the costs of the **invitations** for the event. 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.

These costs are in-kind receipts that are not counted against such individual's contribution limit, but must be disclosed in Section L5, "In-Kind Donations Not Considered Contributions Associated with a House Party," of the SEEC Form 20. However, if the cost to the host(s) exceeds the applicable amount, the entire value is an in-kind contribution that is counted against the contribution limit of the individual(s) and must be disclosed in Section M as an "In-Kind Contribution."

In order for the event to qualify for the "house party" exemption, the entire cost of the event (invitations, food, and beverages) should not exceed the applicable amount outlined above. The committee cannot plan to hold a far more costly event and merely pay for any amount that exceeds that limit. In other words, the $400/$800 amount is not an offset for a more costly party. Alternatively, the home owner can provide his or her home free of charge and the campaign can pay for the entire event.

[General Statutes §§ 9-601a(b)(5), 9-608(c)]

2. Non-Reportable Receipts

The following types of receipts are also not considered contributions and do not require special reporting.

a. Organization Expenditures

Some municipal candidates are eligible to receive certain types of in-kind donations from party committees called *organization expenditures*. An organization expenditure by a party committee is specifically exempted from the definitions of contribution and expenditure for purposes of the campaign finance laws and therefore does not count towards the party committee's contribution limit to the candidate, but remains a

reportable transaction by the party committee for purposes of public disclosure. The recipient candidate or committee need not record receipt of an organization expenditure.

Organization expenditures may be made **only** for the following purposes:

- 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) promotes the success or defeat of any candidate or slate of candidates, or the success or defeat of any referendum question or political party, as long as the communication is not a solicitation for or 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, an issue paper, information on Connecticut election law, voter registration lists, and voter identification information that a party committee creates or maintains for party or caucus building and gives to candidates who are members of the same party;
- Campaign events at which a candidate or candidates are present; and
- Advisors on campaign organization, financing, accounting, strategy, law, or media.

Organization expenditures for municipal candidates may only be made by party committees. The scope of what constitutes an organization expenditure is narrowly construed. Any committee authorized to make such an expenditure should seek guidance from the Commission about whether the planned outlay of funds constitutes a permissible organization expenditure. For the complete definition of organization expenditure, see General Statutes § 9-601(25).

The significance of an organization expenditure is that if properly qualified, it does not count against the donor committee's contribution limit, because it is exempted from the definition of contribution. Again, party committees are the **only** type of committee that may make organization expenditures to benefit municipal candidates.

i. Municipal Candidates Who May Receive Organization Expenditures

Municipal candidates in a candidate committee may receive an organization expenditure from a party committee, as well as candidates who have filed an exemption from the requirement to form a candidate committee because they do not intend to spend or receive over $1,000 (and the organization expenditure would not otherwise put them over that threshold).

ii. Municipal Candidates Who May Not Receive Organization Expenditures

A candidate who has filed an exemption from forming a candidate committee because she intends to finance her campaign entirely from personal funds or does not intend to receive or expend *any* funds may not receive organization expenditures.

In addition, a candidate who has filed an exemption from forming a candidate committee because he is on a slate of candidates solely funded by a party committee or political slate committee may not receive organization expenditures. In the case of a candidate funded by a party committee, that committee is, of course, permitted to make unlimited expenditures to promote that candidate. In the case of a candidate funded by a political slate committee, the political slate committee can still receive in-kind contributions from a party committee, subject to the applicable contribution limits outlined previously in this chapter.

Important Note: If a town committee wishes to distribute a communication listing a slate of candidates but some of those candidates are being self-funded, the town committee cannot pay for the entire communication. Rather, the self-funded candidates should pay for their proportional share of the cost and the communication's attribution should reflect that it was paid for by both the town committee and the self-funded candidates as well as being approved by all of the candidates.

[General Statutes §§ 9-601(25) and (28), 9-604(b)]

b. Donation of Food or Beverage for a Non-Fundraising Event

An individual may donate food or beverage for consumption at a candidate, party, or political slate committee meeting, event or activity that is *not* a fundraising affair and such donation would not be considered a contribution to the extent that the cumulative value of the food or beverage donated by the individual for a single meeting or event does not exceed $50. Such food or beverage donations are no longer reported on the SEEC Form 20, but the treasurer should keep internal records of the donations (a list of the individuals and what they brought, any receipts provided) in order to substantiate that they do not exceed the $50 limit. If the value of the food or beverages exceeds $50 for the event, then the entire value should be reported as an in-kind contribution to the committee in Section M of the SEEC Form 20.

Note that this exemption can be applied in conjunction with a house party that is not a fundraiser. For example, if an individual hosts a house party meet-and-greet for a candidate committee, that individual may spend up to $400 on the cost of invitations, food, and beverages which is not considered a contribution, and a guest may then bring food or beverage to the event, which also would not be considered a contribution if the value of the food or beverage does not exceed $50.
This exemption applies per individual, which means that each attendee may bring food or beverage valued at up to $50 to the event and none would be considered contributions. The treasurer should keep a list of each individual and what they brought, as well as any receipts they may have for their purchases.

[General Statutes §§ 9-601a(b)(17), 9-608(c)(1)]

c. Use of Facility Space

Generally, a candidate or committee must pay fair market value for its use of facility space. A business entity or organization may, however, provide use of facility space to a candidate or committee at a discount or for free, provided the business entity or organization:

1. customarily makes the space available to clubs, civic or community organizations or other groups at a discount or for free;
2. makes the space available on the same terms given to other groups using the space; and
3. makes the space available to any other candidate or committee upon request.

(Note that if the campaign has to pay for use of the space, then this of course would be reported as a traditional expense in Section P of SEEC Form 20.)

If a business entity or organization does not meet each of these three criteria, then it may not provide use of its facility space to a committee for free or at a discount as it would constitute an impermissible business entity or organization contribution.

[Advisory Opinion 2010-02]

d. Display of a Lawn Sign

The display of a lawn sign by a human being or on real property is not considered a contribution. Thus, while business entities may not make contributions to candidates and committees and therefore may not purchase lawn signs in coordination with a committee, they are permitted to display lawn signs in support of them on their real property. The Commission has defined lawn signs to mean signs of a temporary nature measuring not more than 32 square feet.

[General Statutes § 9-601a(b)(7); Advisory Opinion 2010-02]

e. *De Minimis* Campaign Activity

The value associated with *de minimis* campaign activity done on behalf of a committee is not considered a contribution. This includes the creation of electronic or written communications on a voluntary basis without compensation, including, but not limited to, the creation and ongoing content development and delivery of social media on the Internet or telephone, the sending or receiving of electronic mail or messages, and the creation of digital photos or video as part of an electronic file. Social media refers to any electronic media where users create and view user-generated content, such as uploaded or downloaded videos or still photographs, blogs, video blogs, podcasts, or instant messages.

Important Note: Included in the definition of *de minimis* activity is the creation of digital photos or video as part of an electronic file. This means, for example, that a volunteer could provide the campaign with a disc of digital photos to be used for campaign purposes and this would not need to be counted as an in-kind contribution from that individual.

The *de minimis* exception would also extend to the use of 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 that are customarily used for campaign purposes by an individual provided the cumulative fair market value of such personal property or service does not exceed $100 in the aggregate per calendar year.

Important Note: Although not considered contributions, costs associated with such communications that fall under this provision remain expenditures requiring attributions if otherwise needed. For example, if a committee sends out fundraising invitation by e-mail, the committee's attribution should be included in the e-mail. For more information on the proper attribution, please see **Chapter V. Spending Committee Funds**.

[General Statutes § 9-601a(b)(18)]

f. Communications to the Restricted Class

A business entity or an organization may pay the costs of directly communicating with certain groups on political topics, including expressly advocating the election or defeat of a specific candidate, without making a contribution to that candidate or cause. For business entities, the restricted class includes owners, shareholders, executive and administrative personnel and their families – but does not include ***all*** employees of the business generally. For organizations, the restricted class includes its members and their families.

[General Statutes § 9-601a(b)(2)]

EXAMPLE G: XYZ Corporation invites a mayoral candidate to a shareholders' meeting to speak about his run for office. This is a communication limited to members of the business's restricted class and therefore any associated costs are not contributions.

EXAMPLE H: The same corporation sends campaign materials created by the candidate's committee out to all of its clients. XYZ Corporation may be in violation of the law because it has paid for a communication distributed outside of the restricted class.

Important Note: Business entity or organization treasury funds may not be used to reward, give a bonus to or in any manner reimburse any individual for contributing funds or resources to a candidate or committee. Such reward would be an illegal business entity or organization contribution and violate the prohibition against giving in the name of another.

g. 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.

Please see the previous section on non-independent (coordinated) expenditures. It is recommended that candidates, treasurers, and campaign managers be familiar with the differences between independent expenditures and non-independent (coordinated) expenditures, and train campaign staff accordingly, to avoid impermissible coordination. Again, expenditures must be wholly independent from candidates' campaigns in order to avoid contribution and source limits. If you have any questions about these issues, please contact our compliance team via your candidate services liaison.

[General Statutes § 9-601c]

h. The Use of Offices or Office Equipment Provided by a Party Committee

A party committee may allow a municipal candidate to use the party committee's office space, telephones, computers, or similar equipment that serves as its headquarters or it otherwise uses as a donation not considered a contribution. The related costs are reported as expenses of the party committee while the recipient candidate has no reporting obligations for the use of such office or equipment.

[General Statutes § 9-601a(b)(19)]

F. Methods of Payment

1. Cash or Check

Monetary receipts from individuals may not be accepted by the committee unless the following methods of payments are used:

- An aggregate amount of $100 or less may be accepted if made by cash, personal check, bank instrument or credit card.
- Once an individual has contributed $100 in the aggregate, all further contributions must be made by personal check or credit card.

EXAMPLE I: Charles gave a $100 check to Michael's mayoral candidate committee. The following month, Charles attends a fundraising event for the committee and wants to buy a $5 bumper sticker from the committee to show his support for the candidate. This $5 is also considered a contribution to Michael's committee and goes toward Charles' contribution limit. Since Charles has already given $100 to Michael's committee, however, he must pay for the $5 bumper sticker by check or credit card – he may not use cash.

[General Statutes §§ 9-611(d), 9-622(9)]

Monetary receipts from any other committee must be made by check or debit card drawn on that committee's designated depository institution.

[General Statutes § 9-607(e)]

No committee may accept anonymous contributions. *Anonymous contributions* include funds for which the contributor cannot be determined by any means, such as an envelope of cash sent through the mail without a return address. The treasurer must immediately forward the contribution in the manner in which it was received to the State Elections Enforcement Commission for deposit in the General Fund of the State of Connecticut.

[General Statutes § 9-606(b)]

2. Credit Card (Online Contributions)

Individuals may make contributions to a committee by credit card (including their personal debit card) either in person, by mail, by telephone or over the Internet. Because the campaign treasurer must retain documentation to verify each contribution reported in the candidate committee's disclosure statements, **contributions via credit card or debit card must be documented by a receipt of the credit card or debit card transaction**.

a. What Information is Required

When collecting contributions online, the committee must select a merchant account provider that is able to supply the committee with all of the below information as completed by the contributor on the online contribution form. A treasurer ***must*** ensure that the system they choose receives and adequately records for the treasurer's records the following information from the individual contributor:

- Contributor's full name;
- Contributor's name as it appears on the credit card;
- Residence address of contributor;
- Billing address on record with card issuer (if different than residence address);
- Individual's email address;
- Amount of contribution;

- Statement of whether contributor is a 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);
- Principal occupation, to the extent known, if individual's aggregate contributions to the committee exceed $100;
- Name of employer, to the extent known, if individual's aggregate contributions to the committee exceed $100;
- If the individual's aggregate contributions exceed $400 to the committee of a candidate running for chief executive officer of the municipality, a statement of whether contributor, or business with which contributor is associated, has a contract with the municipality valued at more than $5,000;
- Donor must affirm the statement: "I am 18 years of age or older" (applicable to contributions exceeding $30);
- Donor must affirm the statement: "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; payment on this card is not made from the funds of a corporation, labor organization or any other entity;" and
- Donor must affirm the statement: "I am either a United States citizen or a foreign national with permanent resident status in the United States."

There are additional requirements for town committees – please see the Commission's A Guide for Party (Town and State Central) Committees for more information.

In addition to providing the documentation of the required information, a merchant account provider must deposit contributions into a separate, unique (not shared or pooled with other clients) merchant account.

Each committee must also promptly send confirmation of each credit card contribution received through the Internet to the contributor by electronic mail to the individual's email address.

b. What to Report

Expenses and fees charged by merchant account processors in connection with the processing of online contributions are expenses of fundraising. 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.

The committee will report the entire (gross) amount of the contribution (contribution plus the fee to go to the provider) on its financial disclosure statement. The fees charged (typically per transaction) by the merchant should be reported in Section P: Expenses Paid by Committee. Use the purpose of expenditure code, "**BNK**," as these are money processing related charges. The charges may be reported as a lump sum on a quarterly or monthly basis.

Contributions made by credit card are 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.

c. What Documentation to Keep

For online contributions, the committee is required to keep and maintain for four years the details of each transaction provided by the merchant account provider or payment gateway and to ensure that the Commission is able, upon post-election review or other request, to review all such records. To that end, the Commission recommends that the committee maintain:

- The website interface used (e.g. screen shots of the interface), including multiple versions in the event any changes were made to it;
- Transaction receipts for each contribution received, including the affirmation provided in the contribution certification form that a personal credit card was used and any other certifications required as completed by the contributor on the online contribution form; and
- A settlement report/spreadsheet, which is typically an excel spreadsheet generated by the vendor/merchant account processor containing all of the information inputted by the contributor.

[General Statutes §§ 9-606(a), 9-607(f), 9-608, 9-611(d)]

V. SPENDING COMMITTEE FUNDS

A. Permissible Expenditures Generally

All campaign expenditures by a candidate committee must be made to promote the nomination or election of the candidate who established the committee. With respect to a political slate committee, all expenditures must be made to promote the success or defeat of candidates for nomination or election to office, and for town committees, all expenditures must be made to promote the party, candidates of the party, or continuing operating costs of the party. Permissible expenses, if made for these purposes, include but are not limited to the rental of real and personal property, the purchase of computer equipment and supplies, professional services, office supplies, polling, utility costs for campaign headquarters, printing, postage, photocopying, compensation of campaign staff, travel costs of the candidate and campaign advertising of any kind.

[General Statutes § 9-607(g)]

B. Impermissible Expenditures Generally

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. Expenditures for personal use are those that have no direct connection with, or effect upon, the campaign of the candidate. Examples of such expenditures include rent or mortgage payments for residential or business purposes, clothing, shoes, groceries, and personal subscriptions.

The treasurer may not under any circumstances pay the candidate or the candidate's immediate family (spouse and dependent children residing in the candidate's household) for services rendered to the campaign. This prohibition is not applicable to reimbursements to candidates or committee workers for goods and services purchased by them for campaign purposes.

[General Statutes § 9-607(g)]

Other improper expenditures include any expenditures by committee officers or workers which have no substantial relationship to the lawful activity of the committee. The treasurer must authorize all committee expenditures. Further, committee funds or resources may not be used to provide an honorarium to compensate, or make a gift to, an elected public official for a speaking engagement or other service rendered on behalf of the committee unless they are for reimbursements for the elected official's actual travel expenses to make the speech or perform the service, or for food and beverage consumed by the elected official or members of the elected official's immediate family at the speaking engagement.

[General Statutes § 9-607(h)]

A candidate committee or a political slate committee cannot transfer funds to any other committee or make expenditures which benefit other candidates or committees. However, there are limited exceptions as explained in the next section.

[General Statutes § 9-616]

C. Expense Sharing by Committees

Candidate and political slate committees are prohibited from making any contributions or expenditures that benefit other candidates or committees. However, there are two exceptions to this rule:

1. A candidate committee or a political slate committee may make joint expenditures with other committees and pay its proportional share of the expenses of joint campaign events, operating a campaign headquarters, and preparing, printing and disseminating any political communication that benefits its candidate(s). The committee may either pay vendors directly for its share or reimburse another committee for its share.
2. A candidate committee or a political slate committee may reimburse a party committee for any expense incurred by the party committee to benefit the candidate(s). A candidate committee is not required to reimburse a town committee if the expenditure is (a) an *organization expenditure*; or (b) an *in-kind contribution* that is within the limitations prescribed by law. A political slate committee is not required to reimburse a town committee if the expenditure is an *in-kind contribution* that is within the limitations prescribed by law (political slate committees cannot receive organization expenditures).

The recipient committee shall report the reimbursement received from the other committee in Section C2 entitled "Reimbursements or Surplus Distributions from other Committees" of SEEC Form 20. The committee that makes the expenditure which benefits other candidates must disclose it in Section P, entitled "Expenses Paid by Committee," of SEEC Form 20, along with the name or names of the other candidates supported, together with an indication that the expense was coordinated with reimbursement sought.

[General Statutes §§ 9-608(c)(1)(B), 9-610(b), 9-616(a)(5); Advisory Opinion 2010-08]

Important Note: A candidate committee that makes an expenditure to benefit other candidates must be reimbursed by the other candidates for their proportional share to avoid making a prohibited contribution. Proportional share means the proportion of space or time devoted to a single candidate in relationship to all other candidates. In the case of a printed advertisement, proportional share means the proportion of space devoted to each candidate. In the case of audio or video advertising, proportional share means the percentage of time used. The Commission will permit any reasonable allocation that is made in good faith by the treasurers of the involved committees.

D. Committee Worker Reimbursements

The committee may reimburse a committee worker or candidate if:

1. The worker or candidate has paid the expense from his or her own personal funds or personal credit card;
2. The treasurer authorized the expenditure;
3. The 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.

When a committee worker uses personal funds to make authorized expenditures on behalf of the committee and subsequently seeks reimbursement, the payment made by the worker will be deemed a contribution to the committee unless the committee reimburses the worker within a reasonable time. Generally speaking, the Commission has previously determined that 45 days from the date that such expenditure was made or incurred satisfies this reasonableness test. Imposing this time limit on reimbursement prevents a campaign worker from inadvertently making an excessive contribution by, in effect, loaning the committee money.

A committee worker or candidate may generally only be reimbursed by committee check or in very limited circumstances using petty cash – see the next section below. They cannot be reimbursed using gift cards or gift certificates.

Important Note: If a committee worker or candidate is seeking reimbursement for gas mileage, the treasurer must require them to provide documentation of the accrued mileage and reimburse them only for the miles spent on campaign activity.

A candidate who initially does not seek reimbursement for expenses may not then request reimbursement from the candidate committee after the election has been held. A candidate may do so before the election, however, and such a change would require the treasurer to amend the original disclosure of the expenditure in Section Q, "Campaign Expenses Paid by Candidate," of SEEC Form 20 and change the answer to "Is Reimbursement Claimed?" from "no" to "yes." Also, a candidate who initially sought reimbursement for an expense he paid may decide at any time to not be reimbursed and forgive the expense, asking the treasurer to amend "Is Reimbursement Claimed?" from "yes" to "no", as described above.

[General Statutes § 9-607(g)(2)(O)]

E. Petty Cash Funds

The treasurer of a committee is permitted to establish a single petty cash fund by drawing a check on the committee's account in an amount which may not exceed $100. The treasurer reports the check as being made out to "cash." 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.

Expenditures made from a petty cash fund are limited to $25 per transaction (i.e. purchase of supplies for the committee). The treasurer must maintain a written account of all petty cash expenditure disbursements documenting how the money was spent (i.e. copies of receipts). Like with every other committee expenditure, the treasurer must authorize all expenditures made from the petty cash fund.

The treasurer reports any petty cash returned in Section K, "Miscellaneous Monetary Receipts not Considered Contributions," of the SEEC Form 20.

[General Statutes § 9-607(e); Regs., Conn. State Agencies § 9-333i-1]

F. Committee Credit Cards

The committee treasurer may allow a committee worker or candidate to be an authorized cardholder of a credit card issued to the committee, provided that the individual's expenditures are: (1) for goods or services that are preauthorized by the treasurer; and (2) for a lawful purpose of the committee. The treasurer should be particularly careful in opting to authorize a committee worker or candidate as a cardholder as such authorization will mean that all expenditures made by the cardholder on that credit card will be deemed to have been authorized by the treasurer, even if the cardholder failed to obtain explicit authorization for the particular expenditure in question. A committee worker may only be an authorized holder of a committee credit card, which is paid on a periodic basis. A debit card, which draws directly from the committee checking account, is treated differently under the law. Debit cards may **only** be used by the treasurer or deputy treasurer.

[General Statutes §§ 9-606(a), 9-607(a), (d), (e), (g)(2)(O), and (j)]

G. Computers and Other Electronic Equipment

There are several ways a committee may access computers and other electronic equipment:

1. A committee may purchase a computer or other type of electronic equipment (i.e. mobile devices) for use by the committee at fair market value. Electronics purchased with committee funds must be used exclusively for the committee; no personal, business or non-campaign use of electronics is permitted by law.
2. A committee may choose to lease or rent electronic equipment at fair market value. A **written** memorandum of the terms of the rental agreement must be made, signed and dated, and kept as an internal record of the committee. The committee's payments under the lease must be reported as expenditures in Section P. (Leasing electronic equipment to the committee at less than the fair rental value is an in-kind contribution and must be reported accordingly. Under these circumstances, the difference between the fair rental value and the amount actually charged to the committee must be disclosed in Section K, "In-Kind Contributions." Leasing such equipment at *more than* fair market value

results in an unlawful expenditure, because paying greater than fair market value for any good or service does not promote the committee's lawful purpose.) Personal use of electronic equipment leased or rented by the committee is not permissible.

3. A committee may accept the contribution of electronic equipment, or use of electronic equipment, as an in-kind contribution from any source that is able to contribute to the committee, within the applicable contribution limits. Such contributors may only make an in-kind contribution of electronic equipment up to the applicable contribution limit; a discounted lease arrangement valued at more than this limit would constitute an excessive contribution. (A candidate may make unlimited contributions to his own candidate committee so there is no possibility of an excessive contribution being received from the candidate.) Sources that may not properly make contributions to the committee, such as business entities, can only lease electronics to the committee at fair rental value.
4. An individual may perform committee work at home on a personal computer or with other personal electronic equipment owned by such individual and the use of such electronics will not be considered an in-kind contribution. The individual may be the candidate, the committee treasurer or any other campaign worker. Use of one's own computer or other electronic equipment while working for a committee is not a contribution and does not need to be reimbursed or reported by the committee. However, as noted above, loaning electronics to the committee without charge is considered an in-kind contribution and is permissible only if it comes from a source that may make contributions. The loan of the electronic device is also subject to the aggregate contribution limits applicable to such donor. Personal use of electronic equipment loaned to the campaign is not allowed.

After the election, the committee must distribute its surplus equipment so that it can terminate. The committee may sell computers and other electronic equipment that it purchased to any buyer for fair market value. Leased equipment must be returned and the lease discontinued.

[General Statutes §§ 9-601a(b)(4), (5), and (18), 9-607(g)(2), (3), and (4)]

H. Attribution Requirements for Communications

There are specific attribution requirements which pertain to "written, typed or printed communications or web-based written communications." These include communicating a message that supports or opposes a candidate or party, or that solicits campaign funds.

The communications can take many forms, and may consist of letters, brochures, circulars, emails, websites and other web-based communications, billboards, transit advertisements, newspaper advertisements and similar communications, as well as campaign signs that are greater than 32 square feet in surface area.

For communications in the form of a flyer, leaflet, newspaper, magazine, or similar

literature, or that is delivered by mail, the disclaimer required to be on the face of a communication must be at least in eight-point type of uniform font.

[General Statutes § 9-621]

1. "Paid For By"

A candidate or political slate committee that finances any written, typed or printed communication, or any web-based written 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. Such communications paid for by town committees must contain the text "paid for by" together with the name of the town committee (the treasurer's name is not required).

Treasurers of town and political slate committees should be mindful of individuals or candidates on the slate who wish to fund their own communications in coordination with the committee. Where candidates are running on a slate of candidates sponsored by a town or political committee, that committee must be the **sole funding source** for the slate of candidates. Therefore, if one such candidate wants to pay for their own communication, the communication must be reported as an in-kind contribution from the individual or candidate to the committee and counts toward their contribution limits. Treasurers must approve such expenditures in advance and the attribution remains the same – "Paid for by" followed by the name of the committee, and in the case of a political slate committee, the name of the treasurer as well (and "approved by," see next subsection).

A candidate who has filed a 1B exemption because he is self-financing or not intending to spend or receive more than $1,000 and who finances a written, typed or printed communication or web-based communication must similarly include on the face of the communication the words "paid for by" together with the candidate's name and address.

An individual who is not a candidate and who finances a written, typed or printed communication or web-based written communication with the cooperation of, at the request or suggestion of, or in consultation with any candidate, agent of a candidate or candidate committee must also include on the face of the communication the words "paid for by" together with the name and address of the individual financing the communication.

[General Statutes § 9-621(a)]

2. "Approved By"

Additionally, communications financed by any candidate committee, political slate committee, or town committee must include on the face of the communication the words "approved by" together with the name of the benefiting candidate, whether or not the communication is in support of the approving candidate or in opposition to some other candidate. Where a party committee pays for any print, television or social media communication promoting a **slate** of candidates, it is not required to include the words "approved by" together with the name of the candidates. It need only include

the "paid for by" language followed by the name of the party committee. A candidate who has filed a 1B exemption because he is self-financing or not intending to spend or receive more than $1,000 and who finances a written, typed or printed communication or web-based communication must similarly include on the face of the communication the words "approved by" followed by his name.

Communications financed by an individual with the cooperation of, at the request or suggestion of or in consultation with any candidate, agent of a candidate or candidate committee must also include on the face of the communication the words "approved by" together with the name of the candidate.

[General Statutes § 9-621(a) and (i)]

"Paid for by" and "Approved by" Attribution Requirements

	CANDIDATE COMMITTEE	POLITICAL SLATE COMMITTEE	TOWN COMMITTEE
Paid for by	Name of committee, name of treasurer	Name of committee, name of treasurer	Name of committee
Approved by	Name of candidate	Name(s) of candidate(s)	Name(s) of candidate(s)*

* Only required if the form of the communication is not print, television, or social media, and/or the communication is not promoting a slate of candidates.

Important Note: Candidates who are not in a candidate committee must pay special attention when another committee wishes to include them in its communications. For example, if a town committee wishes to include in its communication a candidate who has filed a 1B exemption as self-financing, the candidate has three options: (1) he may inform the town committee that he does not want to be included in the communication; (2) he may pay for his proportional share of the cost of the communication and have both his and the town committee's attributions included on the communication (self-financed candidates can make joint expenditures with other committees); or (3) he may accept it as an in-kind contribution or an organization expenditure (if applicable) from the town committee and amend his registration within three days, either forming a candidate committee or choosing another exemption, if eligible.

If you have any specific questions on proposed communications or would like to verify that a proposed structure does not render a candidate ineligible for an exemption, please contact the Candidate Services Unit at (860)256-2985.

3. 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 some other candidate is required to simultaneously include at the end of such advertising, for a period of not less than four

seconds, the following: (A) a clearly identifiable photograph or similar image of the sponsoring candidate; (B) a clearly readable printed statement (i) identifying the sponsoring candidate and (ii) indicating that the sponsoring candidate has approved the advertising; and (C) a 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. While these additional attributions are not required for party and political slate committees, they must still include their general attribution (i.e. "paid for by" and "approved by") on such communications.

[General Statutes § 9-621(b)(1)]

4. Radio or Internet Audio 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 radio advertising or Internet audio advertising in support of the candidate or candidates sponsoring the communication or in opposition to some other candidate is required to include at the end of such advertising a personal audio statement by the sponsoring candidate or candidates that (A) identifies the sponsoring candidate or candidates and the elective office(s) being sought and (B) indicates approval of the advertising in the following form: "I am (we are)…(candidate's name or names) and I (we) approved this message." The advertisement must also include the candidate's name and voice in the **narrative** of the advertisement. While these additional attributions are not required for party and political slate committees, they must still include their general attribution (i.e. "paid for by" and "approved by") on such communications.

[General Statutes § 9-621(b)(2)]

5. Campaign "Robo" Telephone Calls

In addition to the "paid for by" and "approved by" attribution requirements outlined above, if any candidate, candidate committee, or exploratory committee makes or incurs an expenditure for automated telephone calls, the candidate's name and voice must be contained in the narrative of the call. While these additional attributions are not required for party and political slate committees, they must still include their general attribution (i.e. "paid for by" and "approved by") on such communications.

[General Statutes § 9-621(b)(3)]

6. Special Requirements for Deficit after the Election

In addition to the "paid for by" and "approved by" attribution requirements outlined above, any candidate committee that has a deficit after the election and solicits funds to eliminate the deficit by written or printed communication must include a statement that the funds sought are to eliminate a deficit. Please note that these contributions count towards the donor's election limitation, and are not subject to a separate limit.

[General Statutes § 9-621(e)]

7. Exempt Communications

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, and signs with a surface area of not more than 32 square feet (most lawn signs) are also exempt from the attribution requirements.

[General Statutes § 9-621(d)]

I. Testimonial Events

A testimonial affair is an event held in honor of a candidate or in honor of an individual who holds elective office during the term of such office. No testimonial affair may be held for a candidate, or any elected official during his or her term of office, unless its purpose is to raise funds for the individual's candidate committee or on behalf of a town committee. There are two exceptions to this rule:

- A retirement party may be held for an individual who has announced his intent to retire from public office, unless he has a deficit outstanding from any one of his prior campaigns, in which case the proceeds must be used to eliminate the deficit; *or*
- A testimonial may be held by an entity duly organized for charitable purposes, provided that all proceeds go to the charity.

Anyone who organizes an improper testimonial or fundraiser is subject to civil and potentially criminal liability.

If a party or political committee conducts a testimonial affair to benefit a candidate or elected official, the net proceeds must be given to the individual's candidate committee and are subject to the aggregate limits applicable to the candidate committee. For example, individuals purchasing tickets to the testimonial are considered to have made a contribution to the candidate committee for the full amount of the purchase price and must be reported by the candidate committee. In addition, the expenses paid by the sponsoring committee must be reported as an in-kind contribution made by that committee and received by the candidate committee. The sponsoring committee's treasurer must provide the written valuation notice required for in-kind contributions.

If a party committee conducts a testimonial to raise monies for itself, then the individuals purchasing tickets to the testimonial are considered to have made a contribution to the party committee for the full amount of the purchase price and expenditures attendant to the testimonial are treated like any other expenditures by the party committee.

Note that the invitation should make it clear which committee the event is raising funds for.

Important Note: Where a political slate committee wants to have an officeholder or candidate present at its fundraising event but does not wish the event to be a testimonial for that individual (i.e. it does not intend to give funds raised to the candidate's campaign but wants to keep all funds raised for itself), the committee should be careful in how it references the officeholder or candidate in any invitation to the event, if at all, so that the invitation does not suggest the event is essentially a testimonial with funds improperly being kept by the committee.

[General Statutes §§ 9-606(a), 9-609(b)]

VI. REPORTING INFORMATION

A. Who Reports?

The treasurer or, in the treasurer's absence or inability, the deputy treasurer of the committee is required to file all financial disclosure statements. For candidates who are self-funding their campaigns exclusively, and have claimed the exemption from forming a committee, the candidate must report if the expenditures exceed $1,000 for the campaign. Self-financing candidates who do not spend over $1,000 and candidates who have registered as not intending to spend or receive over $1,000 or any money at all do not need to file any financial disclosure statements.

[General Statutes §§ 9-601(13), 9-604(b), 9-608(a)]

B. How to Report?

The SEEC Form 20 (Itemized Campaign Finance Disclosure Statement) or, if applicable, the SEEC Form 21 (Short Form Campaign Finance Disclosure Statement) must be filed with the town clerk of the municipality conducting the primary or election. Treasurers generally can use, for certain filings, SEEC Form 21, if their committees have not had monetary or non-monetary receipts or made expenditures in excess of $1,000 from the time of its creation (or from the beginning of the calendar year in the case of a town committee) to the close of the relevant reporting period. Once the campaign exceeds the $1,000 threshold, it must use the SEEC Form 20 for the remainder of the campaign (or that calendar year in the case of a town committee). Moreover, the first SEEC Form 20 must include **all** of the reportable financial transactions which have occurred since the committee's inception (or since the beginning of the calendar year in the case of a town committee). All town committees are required to file a SEEC Form 20 for their filings due January 10th and on the 7th day preceding an election. Self-financed candidates use SEEC Form 23.

EXAMPLE: A municipal candidate committee is established on January 2 and does not raise or spend more than $1,000 by March 31 of that year. The treasurer files a SEEC Form 21 (Short Form) for the April 10th filing. By June 30, the committee exceeds the $1,000 threshold, requiring the treasurer to file the SEEC Form 20 for the July 10th filing, covering **all** financial activity between January 2 and June 30. The committee must file all subsequent reports using the SEEC Form 20.

C. Where to Report?

All candidates register with the town clerk. Town committees file their disclosure statements with the State Elections Enforcement Commission. Exploratory, candidate and political slate committees for municipal candidates file their disclosure statements with the town clerk.

[General Statutes §§ 9-603(a) and (b), 9-608(b)]

D. What Information Must Be Reported?

All expenditures made or obligated to be made must be reported. All monetary receipts, whether or not such receipts constitute contributions, must also be reported, as well as all non-monetary receipts that constitute contributions (i.e. in-kind contributions). Certain non-monetary receipts in connection with a fundraising affair whether or not they constitute contributions must be reported as well. The following section describes how to report these kinds of receipts and expenditures in greater detail.

1. Reporting Receipts

a. Contributions from Individuals

Monetary contributions received from an individual that are $50 or less in the aggregate that are received from an individual do not require disclosure of the donor's name and address and can be entered in Section A entitled "Total Contributions From Small Contributors – Received this Period ONLY." However, the treasurer must keep an internal record of the contributor's name and address so that the contribution can be aggregated with any other contributions that individual has made or will make. Treasurers may also choose to itemize contributions that are $50 or less in Section B entitled "Itemized Contributions from Individuals."

All monetary contributions in excess of $50 in the aggregate must be itemized in Section B. Moreover, when monetary contributions exceed $50 from an individual who was previously reported as a small contributor in Section A, the contributor must be itemized in Section B on the next scheduled statement.

All non-monetary contributions are to be itemized as in-kind contributions in Section M of SEEC Form 20, regardless of amount.

Monetary contributions received from an individual that are over $50 in the aggregate and all non-monetary contributions require disclosure of the contributor's name, address, amount received during the relevant reporting period, method of contribution, date of the contribution, the aggregate amount given, and whether the contributor is a communicator lobbyist or the spouse or dependent child of a communicator lobbyist. A dependent child is one who resides in the contributor's household. It is the responsibility of the lobbyist or family member of the lobbyist to provide this information to the treasurer. The treasurer must also make due inquiry of their lobbyist status. While lobbyists and their spouse and dependent children are not otherwise limited in how much they can contribute (except in the case of a town committee, where they may only contribute up to $100), their status is a required disclosure for contributions over $50.

For individuals who contribute to the committee more than $100 in the aggregate, the treasurer must also obtain and report their principal occupations and the names of their employers, to the extent known.

Any individual who contributes to the campaign of a candidate for Chief Executive Officer of a town (e.g. Mayor, First Selectman) in excess of $400 in the aggregate, whether it be a candidate committee or slate or town committee financing such a

candidate, must, in addition to providing the treasurer with his name, address, principal occupation and name of employer, further provide the treasurer with a statement indicating whether the contributor, or any business with which the contributor is associated, has a contract with the town which is valued at more than $5,000. A "business with which he is associated" refers to any business in which the contributor is a director, officer, owner, limited or general partner, or stockholder of 5% or more of the total stock of the business. **There is an obligation on the treasurer to make due inquiry for this information.** The treasurer is required to request this information from the contributor by certified mail within three days after receipt. If this information is not provided, the treasurer may **not** deposit any contributions that would cause the $400 threshold to be exceeded, and the same must be returned. Having such a contract does **not** limit the contributor's ability to give to a municipal candidate or committee.

The Commission has provided sample individual contributor certification forms for municipal candidate committees, available on its website. While all of the information included in the sample certification form may not be statutorily required depending on the contribution amount, the Commission recommends that the treasurer request this information from **all** contributors, whatever the amount given, because such information may become **necessary** as contributions are aggregated throughout the committee's existence.

[General Statutes §§ 9-608(c), 9-610(g)]

The following chart describes the contribution information required to be reported by candidates, candidate committees, and political slate committees, and is dependent on the aggregate amount reported.

AMOUNT OF AGGREGATE CONTRIBUTION BY TYPE	PERMISSIBLE METHOD OF PAYMENT	INFORMATION THAT IS REQUIRED FROM INDIVIDUAL CONTRIBUTOR
$0 - $50	Cash, Bank Instrument or Credit Card	Name and Address
$50.01 - $100	Cash, Bank Instrument or Credit Card	Name, Address and Lobbyist Status
$100.01 - $1,000	Personal Check or Credit Card	Name, Address, and Lobbyist Status Principal Occupation and Employer to the extent known
$400 or More for C.E.O. of Town Candidate *(e.g. First Selectman, Mayor)*	Personal Check or Credit Card	Name, Address, and Lobbyist Status, Principal Occupation and Employer to the extent known, a Statement Indicating Whether the Contributor or Any Business Associated with Contributor Has a Contract for More Than $5,000 With the Town

[General Statutes § 9-608(c)(1)]

In the case of a candidate who has elected to be solely funded by a **town committee**, please review A Guide for Party (State and Central) Committees for more on what information the town committee must gather from a contributor.

Anonymous monetary receipts may not be accepted in any amount, and must be remitted, in the form received, immediately to the State Elections Enforcement Commission, 20 Trinity Street, Hartford, CT 06106, for deposit in the state's General Fund.

[General Statutes §§ 9-606(b), 9-608(c)(1)]

Monetary receipts in the form of personal checks written on joint accounts should be attributed to the individual who signs the check. If both individuals on a joint checking account sign the check, then the contribution should be allocated equally between them. If a joint check, signed by only one contributor or both, is accompanied by a written statement from the joint bank account holders indicating that the contribution should be allocated differently, then the check must be allocated according to this statement.

EXAMPLE: John and Jane Doe have a joint bank account. John and Jane both sign a $500 contribution check to a first selectman candidate committee. On contribution forms signed by John and Jane, they indicate they would like $200 of the contribution to be from Jane and $300 of the contribution to be from John. The committee should report a $200 contribution from Jane and a $300 contribution from John in Section B of SEEC Form 20.

[General Statutes § 9-606(b)]

A monetary receipt in the form of a money order is considered to be "cash" and should be reported as such. There is a limit of $100 of aggregated contributions made by cash or money order.

[General Statutes § 9-611(d)]

b. Monetary Receipts from Other Committees

Any receipt from another committee must be reported as either: (1) a monetary contribution in Section C1, "Contributions from Other Committees;" (2) a reimbursement that is not contribution in Section C2, "Reimbursements or Payments from other Committees;" or (3) a non-monetary contribution in Section K, "In-Kind Contributions." For more information on the applicable contribution limits and the definition of organization expenditure, please see **Chapter IV. Raising Funds for Your Campaign**.

Each treasurer of a political or party committee which makes an in-kind contribution of goods, items, or services to a candidate committee (or a coordinated expenditure) is required to send written notice to the recipient committee's treasurer setting forth the donor treasurer's valuation of the in-kind contribution. This notice must be sent by the donor committee's treasurer before the close of the reporting period in which the in-

kind contribution was made. The notice must be signed by the treasurer of the donor committee and include the full name of the donor committee, the date on which the contribution was made, and a complete description of the contribution as well as a statement of the value of the contribution. Any dispute concerning the information contained in such notice will be resolved by the treasurer of the recipient committee.

The purchase of advertising by another committee in a municipal candidate committee or town committee's program book, which is not considered a contribution, is disclosed in "Purchasing of Advertising in a Program Book," Section L3.

c. Personal Funds

Any funds provided by a candidate to his or her **candidate committee** for which no reimbursement is expected need to be reported to the treasurer by the candidate. These funds are not subject to limits and must be reported in Section H as "Personal Funds of the Candidate." If the candidate wants to have the potential of getting the money back post-election, it should be documented in writing as a loan and reported in accordance with the next subsection. Candidates who have designated a political slate committee or a town committee as their sole funding source may not give unlimited funds, but rather are limited in how much they can contribute just as any other individual.

d. Prior Campaign Materials

If a candidate would like to reuse prior campaign assets, such as lawn signs, banners, stationery, palm cards, thank you notes, buttons, t-shirts, domain names, and other campaign paraphernalia left over from the his prior committee(s) that have little or no value to anyone other than the candidate, he may declare them as personal funds, if he is in a candidate committee, or as an in-kind contribution, if he is being funded by a town committee or a slate committee, at the time they are used in the campaign. If the candidate chooses to do this, items should be valued at their original purchase price. In the case of a candidate committee, the treasurer must report it in Section Q, "Campaign Expenses Paid by Candidate" of the SEEC Form 20, indicating the date of payment as the date the candidate provided the materials to the campaign and that reimbursement is not sought. If the candidate is funded by a slate committee or a town committee, the committee would report the provision in Section M of SEEC Form 20, using the date the candidate provided the materials to the committee as the date received.

e. Loans

All loans are reported in Section D, "Loans Received this Period," of SEEC Form 20 regardless of whether they are considered contributions. The treasurer must report the name and address of any bank or other lender which has made a loan to the committee, the principal amount of the loan received in the reporting period, along with the name and address of any person who is a guarantor or cosigner of the loan. Outstanding loan balances must be continuously reported as a debt, on the "Summary Page" of SEEC Form 20.

Any loan by the candidate must be reported in Section D as well. Because a candidate in a political slate committee must be **solely** funded by that committee, a

candidate's donation or loan to his or her slate committee is subject to the $1,000 limit. Similarly, if a candidate has chosen a town committee to be his or her **sole** funding source, a candidate's donation or loan is subject to the $1,000 limit. A candidate who has formed a candidate committee may loan unlimited funds to the committee.

All loans should be carefully documented at the time the loan is made and must be reported until the loan is repaid or forgiven.

[General Statutes § 9-608(c)(1)(E)]

f. Monetary Receipts not Considered Contributions

All other monetary receipts that are not contributions must be disclosed. Examples include interest posted or received from deposits in authorized investment accounts (reported as "Interest from Deposits in Authorized Accounts," Section J); bank credits or refunds (reported as "Miscellaneous Monetary Receipts not Considered Contributions," Section K); and certain other monetary receipts from fundraisers (e.g. purchases of goods or ads in program books reported in the "Event Activity" section of SEEC Form 20).

2. Reporting Fundraising Events

The treasurer is required to disclose all receipts of a fundraiser whether or not such receipt constitutes a contribution to the committee. Each fundraising event, including the date, location, and a description, are required to be reported in Section L1, "Event Information," of Part II of SEEC Form 20. All monetary receipts received at the given event which are contributions may be recorded as an aggregate amount if the contributor has contributed $50 or less in the aggregate since the formation of the committee (enter in Section A of Part I of SEEC Form 20). If the contributor's total contributions given to the committee exceed $50, the contributor must be itemized in Section B of Part I. The corresponding fundraising event at which the given contribution was received must be identified in Section B as well.

Important Note: A ticket purchased to attend a committee fundraising event is considered a contribution and counts toward that individual's contribution limit.

Each non-monetary receipt which is a contribution must be itemized as an in-kind contribution in Section M of SEEC Form 20. Again, the treasurer must identify the fundraising event reported in L1 at which the given in-kind contribution was received. The purchase of fundraising tickets are considered contributions and therefore must be reported in the appropriate section, dependent upon the amount purchased by the contributor and the aggregate amount of other contributions by the same contributor.

Important Note: If a committee holds a **raffle** as a fundraiser, each raffle ticket purchased is considered a contribution to the committee. This means that the treasurer must keep an internal record of the name and address of each person buying a raffle ticket so that he can aggregate the cost of the ticket with the person's other contributions for that calendar year.

Committees interested in having raffles should contact the local police department of the town in which they are holding the raffle to inquire about obtaining a **raffle permit**. In the case of smaller towns that do not have a police department, contact the town hall.

The donations received in connection with a fundraising affair that do **not** constitute contributions (i.e. donations of items of personal property valued at $100 or less) must be disclosed in Section L4, "In-Kind Donations Not Considered Contributions," of Part II of SEEC Form 20. Such itemizations must include the name and address of each such donor and the corresponding amount. If the cumulative value of donations from an individual exceeds $100, the donor has made a contribution which must be itemized in Section M.

The treasurer must also separately itemize each expenditure made by the committee in connection with the fundraising affair in the same manner as any other committee expenditure in Section IV, "Expenditures," of the SEEC Form 20.

[General Statutes § 9-608(c)]

3. Reporting Expenditures

Expenditures are reported in Section P, "Expenses Paid by Committee," of the SEEC Form 20. Each expenditure, regardless of the amount, must be separately itemized with the following information:

- Payee's full name and address;
- Amount, date, description, and method of payment;
- Correct Expenditure Code identifying the purpose of the expenditure (*Expenditure Codes are listed in the SEEC Form 20 instructions*);
- If applicable, the candidate supported or opposed by the expenditure, whether the expenditure is made independently of the candidate or is a coordinated or organization expenditure, and whether reimbursement is claimed; and
- If the expenditure was made in connection with a fundraising event, the treasurer must enter the proper code ("FNDR") and the corresponding event reference number (reported in Section L1).

There are also specific instructions for disclosing certain types of expenses, as more fully discussed below.

a. Expenses Incurred but Not Paid

The obligation to report expenses incurred arises when the committee enters into a written contract, promise or agreement to make an expenditure. For example, if a

municipal candidate committee signs an agreement to purchase mailers in June but is not billed for them until August, the committee would report the expense in Section S of its July 10th filing as an expense incurred but not paid.

Each expense incurred 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 S, "Expenses Incurred by Committee but Not Paid During this Period."

The treasurer must then report the expense incurred on Line 28, Column A, of the Summary Page Totals on page 2 of the SEEC Form 20. Once the expense is paid off, the treasurer must remove the corresponding amount from the total reported on Line 28A.

b. Loan Repayments

Loan repayments are reported in Section P, using "LOAN" as the expenditure code. The name and address of each bank or other lender, the amount, and the date of the repayment or partial repayment (principal plus interest) on the loan during the applicable reporting period must be reported.

c. Reimbursements to Committee Workers and Candidates

Each expenditure that is a reimbursement to a committee worker or candidate must be treated as any other expenditure and must include an itemization of any payments to secondary payees (e.g. the vendor, person, or entity who transacted with the committee worker or candidate). Such reimbursements are reported in Section P, using "RMB" as the expenditure code. In a separate section of SEEC Form 20, Section T, "Itemization of Reimbursements to Committee Workers and Consultants," the treasurer must itemize what the worker was reimbursed for. This section will not affect the balance on hand and need not be carried forward to the "Summary Page." Candidates and committee workers should timely provide details and documentation to the treasurer for all expenditures they make on behalf of the committee.

Expenses paid directly by the candidate from his or her own personal funds must be itemized in Section Q of SEEC Form 20, entitled "Campaign Expenses Paid by the Candidate." Any expense, irrespective of the amount, for which the candidate seeks reimbursement must be reported. In addition, any candidate expense of more than $50 must also be reported, even if the candidate does not wish to be reimbursed, except telephone calls, travel and meals. **Candidates have a duty to report all such expenditures to the treasurer.**

[General Statutes §§ 9-607(j), 9-608(c)]

d. Payments to Consultants and Reporting of Secondary Payees

If a committee hires a professional person to provide campaign services, such as 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 vendor(s) (secondary payees) are required to be disclosed in Section T, "Itemization of Reimbursements and Secondary Payees." Secondary payees are those vendors, persons, or entities who received a

payment from the consultant for goods or services purchased by the consultant for which the committee has paid the consultant.

Example: The Sam for First Selectman 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 First Selectman candidate committee must report the $2,000 payment to Campaign in a Box, LLC in Section P of SEEC Form 20 and the secondary payments to Political Advertising Warehouse and WXYZ as separate entries in Section T of SEEC Form 20.

This disclosure is not optional. We strongly recommend that treasurers use the language provided in our sample fee arrangement forms, including language putting 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.

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 §§ 9-607(j), 9-608(c); Regs., Conn. State Agencies § 9-607-1]

E. When to File?

The treasurer must file a financial disclosure statement with the filing repository by the following deadline dates: the 10th day of January, April, July and October, on the 7th day prior to the election and, if the candidate is in a primary, on the 7th day prior to the primary. Candidates committees of candidates in primaries must also file 30 days following the primary. Political slate committees are also required to file a disclosure statement itemizing their initial contribution at the same time they submit their registration statement if the initial contribution was received by the time the committee registers, or, if it was not, the committee must file a disclosure statement within 48 hours of receiving the initial contribution. For non-November elections, political slate committees must submit a filing 45 days after the election as well. More specific calendars, with the actual filing dates and reporting periods, are available from the State Elections Enforcement Commission on its website or at any town clerk's office.

If such deadline falls on a Saturday, Sunday or legal holiday, the statement shall be filed on the next business day. This filing must be submitted at some time during the filing

period, which begins the day after the conclusion of the reporting period and ends on the filing deadline date.

For candidate committees and political slate committees filing with the town clerk, statements are timely if they are postmarked by the United States Postal Service before midnight on or before the required filing deadline date, or delivered by hand to the town clerk by the close of business hours on or before the filing deadline date. For town committees, statements are timely if transmitted electronically by eCRIS to the Commission no later than 11:59 p.m. on the deadline day.

Important Note: Some town clerk's offices may not have office hours or may have shortened office hours on a filing deadline day. This does not relieve the treasurer of filing by the deadline, so be sure to confirm the office hours of the town clerk if delivery by hand is anticipated.

The reporting period for each disclosure statement filed on the 10th day of January, April, July and October must include the financial activity of the committee beginning the first day not included on the last filed financial disclosure statement and ending on the last day of the month preceding the month in which the statement is required to be filed. Each disclosure statement filed on the 7th day preceding Election Day or Primary Day must include the financial activity of the committee beginning the first day not included on the last filed financial disclosure statement and ending as of seven days immediately preceding the required filing deadline day.

In addition to the quarterly and pre-election statements, political slate committees are required to file financial disclosure statements 45 days after the election, if the election is not held in November, and committees of candidates involved in a primary must file within 30 days following the primary. The post-election filing date for all candidate and political slate committees of candidates competing in a November municipal election, as well as town committees, is the January 10th quarterly report.

Following an election or unsuccessful primary, candidate committees and political slate committees must be terminated. For more information on when to file termination statements as well as additional reporting requirements relating to the dissolution of these committees (paying off deficits, distributing surpluses, etc.), please see **Chapter VII. Termination of the Committee: Distribution of Surplus and Elimination of Deficits**.

Candidate committees established by a candidate who is **unsuccessful in a primary** and is not eligible to appear on the general election ballot are not required to file on the seventh day preceding the election or any quarterly filings that occur after they have lost the primary. Candidate committees established by a candidate who is not eligible to appear on the general election ballot and did not participate in a primary are not required to file on the seventh day preceding election or primary but is required to do the quarterly filings as well as a termination statement.

Candidate committees and exploratory committees established for an office to be elected at a **special election** do not have to file any quarterly filings occurring during the election cycle.

[General Statutes §§ 1-2a, 9-608(a) and (d)]

1. Late Filing Fees

Failure to file the financial disclosure statement by the applicable deadline date subjects the treasurer to an **automatic and non-discretionary $100 late filing fee**, which is the personal responsibility of the treasurer and is **not a legitimate expenditure of the committee**. Similarly, failure to file a registration statement or qualified exemption within ten days of becoming a candidate subjects the candidate to a $100 automatic late filing fee, which is the personal responsibility of the candidate and cannot be paid for using committee funds. Late filing fees are payable to the applicable filing repository. Neither the town clerk nor the Commission has the discretion to waive this fee – it is statutorily mandated.

In addition, the failure by the treasurer or the candidate, as the case may be, to submit these filings within seven days after receiving a failure to file notice from the town clerk by certified mail, return receipt requested, will subject the treasurer or candidate to a civil penalty of $200 to $2,000 per late statement. These additional fines and penalties are enforced by the State Elections Enforcement Commission and the town clerk is required to refer such failures to the Commission in a timely fashion after the seven day late period expires.

For town committees, the failure by the treasurer to submit these filings within 21 days after receiving a failure to file notice from the Commission by certified mail, return receipt requested, will subject the treasurer to an additional civil penalty of $200 to $2,000 per late statement.

[General Statutes § 9-623]

2. Copies of Disclosure Statements

The treasurer must provide the candidate or committee chairperson, as applicable, with a duplicate copy of the disclosure statement at the time of filing.

[General Statutes § 9-608(d)]

The registration and disclosure statements filed on behalf of municipal candidate committees and political slate committees are available for public inspection at the office of the town clerk. Town committee statements are available at the State Elections Enforcement Commission's offices and on its website. These statements are required to be kept by the filing repository for five years from the date of filing.

[General Statutes § 9-608(c)(7)]

VII. TERMINATION OF THE COMMITTEE: DISTRIBUTION OF SURPLUS AND ELIMINATION OF DEFICITS

A. Exploratory Committees

An exploratory committee for a candidate for municipal office must be terminated when the candidate decides to seek nomination or election to a particular office or when the candidate decides not to seek office. In either instance, the campaign treasurer must file a "Notice of Intent to Dissolve," SEEC Form 5, with the town clerk within **fifteen days** of (1) the candidate's public declaration of his or her intent to run for a specific office; (2) the candidate's endorsement at a *convention*, *caucus* or town committee meeting; or (3) the candidate's filing of a candidacy for nomination (forcing a party primary). The notice must be accompanied by SEEC Form 20, identifying all contributions received or expenditures made since the last statement, and the balance on hand or deficit, as the case may be.

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.

If the candidate decides to seek nomination or election to a particular office, he or she **must** register a candidate committee by filing SEEC Form 1A, "Candidate Committee Registration." All surplus funds and equipment of the exploratory committee, as well as its liabilities, must be transferred to the candidate committee. The transfer of funds must be disclosed as an expenditure in the exploratory committee's termination statement and reported as a contribution from another committee on the recipient candidate committee's initial SEEC Form 20. In the event that the exploratory committee has a deficit, the outstanding liabilities must be carried forward to the candidate committee's initial statement in Section S, "Outstanding Expenses Incurred but Still Unpaid."

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 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 period for filing a termination SEEC Form 20.

If the candidate decides **not** to seek nomination or election to any office and the exploratory committee has a surplus, the surplus must be distributed **within fifteen days** of such decision to one or more of the following:

- An ongoing political committee which 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 for any office.

- A party committee;
- A tax exempt, tax deductible organization under Section 501(c)(3) of the Internal Revenue Code;
- An organization under Section 501(c)(19) of the Internal Revenue Code (veteran's organizations);
- All contributors on a prorated basis by contribution; or
- 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 supplemental financial disclosure statement with the town clerk within thirty days of the candidate's decision not to seek election. This supplemental 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 seventh 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(e)(1)(A) and (f)]

B. Candidate Committees

If a candidate with a candidate committee **withdraws** prior to a primary or election and has a surplus, the surplus may **not** be distributed prior to the primary or election except to:

- A tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code;
- An organization under Section 501(c)(19) of the Internal Revenue Code (veteran's organizations); *or*
- All of the contributors to the candidate committee on a prorated basis by contribution.

When the committee of a candidate who withdraws prior to a primary or election has a deficit, the candidate committee must remain in existence until the deficit is eliminated. The treasurer is required to file an additional financial disclosure statement on the seventh 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(e)(2) and (4)]

Where a candidate committee of a candidate who participated in the election or a primary has a surplus, the surplus must be distributed by March 31, for elections held in November, or within 120 days after an election held at any other time or following an unsuccessful primary. A financial statement is due seven days after surplus is distributed (by April 7 at the latest in the case of November candidate committees), except if such filing deadline date falls on a Saturday, Sunday or legal holiday, in which case such filing is due on the next business day.

Important Note: After the election, committees do not need to wait until the final deadline to distribute surplus and terminate. Once the committee distributes its surplus, however, it must file its termination statement within seven days of that distribution. If the committee terminates before a quarterly filing is due (i.e. January 10th), it need not file the quarterly report or any subsequent report.

Surplus may be distributed to one or more of the following:

- An ongoing political committee which 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 for any office.

- A party committee;
- A tax exempt, tax deductible organization under Section 501(c)(3) of the Internal Revenue Code;
- An organization under Section 501(c)(19) of the Internal Revenue Code (veteran's organizations);
- All contributors on a prorated basis by contribution; or
- The Citizens' Election Fund.

[General Statutes § 9-608(e)]

A candidate committee treasurer whose candidate is elected may, with the approval of the candidate, expend the committee's surplus during the 120 day post-election period by paying for the clerical, secretarial or other office expenses necessarily incurred by the candidate in preparation for taking office. However, capital assets and equipment for the elective office may not be purchased with surplus funds. The treasurer may not under any circumstances pay surplus proceeds to the candidate or the candidate's family for services rendered to the campaign. Surplus funds may be used to pay expenditures for inaugural activities and a "thank you" party for campaign workers.

[General Statutes §§ 9-607(g)(2)(V), 9-608(e)(1)(D)]

In the event of a deficit, the treasurer must file a financial statement 90 days after an unsuccessful primary, if applicable, or 90 days after the election, if the election is not held in November, or by February 7 for a November election. If any such filing deadline

date falls on a Saturday, Sunday or legal holiday, the filing is due on the next business day. The financial statement must indicate the amount of the deficit, including an itemized accounting of all receipts and expenditures since the last financial statement. The treasurer is also required to file an additional statement on the seventh day of any succeeding month when there is an increase or decrease in the deficit that is greater than five hundred dollars from the last filed disclosure statement. A final termination statement must be filed on the seventh day of the next succeeding month following elimination of the deficit, and this is true even where the deficit amount is less than $500. A candidate committee may, after the election, raise funds **only** to eliminate its deficit.

[General Statutes § 9-608(e)(3) and (4)]

Important Note: Beware of outstanding debts owed to business entities. 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. Thus, commercial vendors (e.g. business entities) who cannot make contributions to a campaign are expected to take normal and reasonable steps to collect the debt and, at the same time, the committee treasurer must make reasonably necessary efforts to eliminate the deficit. If such action is not taken, the Commission may conclude that the committee has accepted illegal contributions.

C. Political Slate Committees

In the event of a surplus after the election—whether or not any or all of the candidates have been successful—a political slate committee must distribute this surplus by March 31st, for elections held in November, or within 90 days after an election held at any other time or following an unsuccessful primary. A financial statement is due seven days after this distribution (by April 7 at the latest in the case of political slate committee organized for a November election), except if such filing deadline date falls on a Saturday, Sunday or legal holiday, in which case such filing is due on the next business day.

The permissible recipients of a political slate committee's surplus are identical to those of a candidate committee with a surplus (see above).

[General Statutes § 9-608(e)(1)(A)]

If a slate committee has a deficit after the election or an unsuccessful primary (where no candidates are continuing on to the election), then the committee is required to file a deficit statement on February 7, for elections held in November, or within 90 days for an election not held in November or following an unsuccessful primary. If the applicable deadline date falls on a Saturday, Sunday or legal holiday, the filing is due on the next business day. The committee must then remain in existence until the deficit is eliminated. The treasurer is required to file an additional financial disclosure statement on the seventh 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(e)(4)]

VIII. GENERAL PROHIBITIONS AND COMPLAINTS

A. Vote Buying and Selling

No person may knowingly give, lend or promise to give or lend any money or other valuable consideration to any other person to influence the other person to vote, or refrain from voting for or against any candidate. Any person who votes for or against any candidate in consideration of any gift or anything of value shall be guilty of illegal practices.

[General Statutes § 9-622(1)]

B. Contributions in False Name

No person may make a payment or contribution to a treasurer in any name other than the name of the true donor or payor, nor may any treasurer knowingly receive the payment or contribution. A violation of this provision occurs when the original source of funds, for example, gives another person cash to make a contribution in his own name. The Commission treats such violations seriously. A treasurer is prohibited from entering the name of someone other than the true donor or payor on the committee's financial disclosure statement.

[General Statutes § 9-622(7)]

C. General Criminal and Civil Penalties

Any person who violates any provision of Connecticut's campaign finance laws is subject to a civil penalty not to exceed $2,000 or twice the amount of the improper contribution or payment, whichever is greater.

[General Statutes § 9-7b(a)(2)]

Any person who knowingly and willingly violates the campaign finance laws shall be guilty of up to a Class D felony.

[General Statutes § 9-623(a)]

D. Unlawful Solicitation of Contributions or Making of Expenditures

No person may solicit or accept funds or other resources, or expend funds, for or on behalf of a candidate for elective municipal office or any committee, unless the committee has been registered with the town clerk (or the State Elections Enforcement Commission in the case of a town committee). A ten day grace period applies from the time the individual for whom such solicitations are made or funds are accepted or expended first becomes a candidate. Similarly, no person may solicit or accept funds or other resources, or expend funds, on behalf of a registered committee during the period in which there exists a vacancy in the position of treasurer and there is no deputy treasurer of the committee to act as treasurer. No person may solicit or accept

excessive contributions or payments which are otherwise prohibited by the provisions of Chapter 155.

[General Statutes §§ 9-600 *et seq.*, 9-622(10)]

E. Prohibition on Use of Public Funds

No incumbent officeholder may expend public funds to mail or print flyers or other promotional materials intended to bring about his or her re-election or election to another office in the three months preceding the election.

[General Statutes § 9-610(d)(1)]

No public official or public employee may, during the twelve month period preceding an election, authorize the use of public funds for a television, radio, movie theater, billboard, bus poster, newspaper or magazine promotional campaign or advertisement which, for any purpose, features the name, face or voice of a candidate for elective office, or which promotes the nomination or election of a candidate for elective office.

[General Statutes § 9-610(d)(2)]

F. Prohibition on Gifts, Compensation and Honoraria to Elected Officials

No political committee may make a gift, compensate or provide an honorarium to any elected public official for any speaking engagement or other services rendered on the committee's behalf except through such public official's candidate committee, if applicable. However, a public official may be reimbursed for actual travel expenses incurred by the official or member of the official's immediate family in connection with the engagement. The official or the member of the official's immediate family may consume food and beverage offered by the committee in connection with the speaking engagement or other services rendered; any gift or honorarium may only be made as a contribution to such official's candidate committee provided that it is reported on the committee's campaign finance disclosure statement.

[General Statutes § 9-607(h)]

G. Promise of Public Appointment or Position of Trust

No individual may, in order to influence his nomination or election or that of any other individual, promise to appoint or secure the appointment of any other individual to any public office or to any position of honor or trust.

[General Statutes § 9-622(6)]

H. Who May Bring a Complaint?

Any individual may bring a complaint to the State Elections Enforcement Commission requesting that an investigation be made into any alleged violation of the state election laws. The State Elections Enforcement 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]

I. 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 at both the State Elections Enforcement Commission's offices and on its website, 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 be submitted with an original signature of the complainant. No electronic copies or facsimiles will be accepted.

Complaints should include the following:

- The legal name, address and telephone number of the person filing the complaint.
- A clear and concise statement of the facts including:
  - 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.

Complaints should be mailed to:

State Elections Enforcement Commission
Attn: Legal Unit – Enforcement
20 Trinity Street – 1st Floor
Hartford, CT 06106

Please note that 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.

[General Statutes § 9-7a (g) (1) (as amended by Public Act 17-2 (June Special Session))]

IX. CONCLUSION

This Guide is intended to clarify and summarize the most important provisions relating to Connecticut's campaign financing requirements relevant to candidates seeking nomination or election to municipal offices.

Contact Us

Inquiries regarding campaign financing requirements, legal interpretations of the State Elections Enforcement Commission, as well as complaints and requests for formal advice may be addressed to:

State Elections Enforcement Commission
20 Trinity Street
Hartford, Connecticut 06106-1628

Candidate Services Line:	**860-256-2985**
Main Telephone:	860-256-2940
Toll Free (in CT):	866-SEEC-INFO
Main Fax:	860-256-2981
Website:	www.ct.gov/seec
E-Mail:	seec@ct.gov

Requests for copies of the published calendar of specific filing dates and committee registration and disclosure statements may be obtained from the website of the State Elections Enforcement Commission or by contacting the Commission by telephone, email, or mail.

X. GLOSSARY

Agent: A person authorized to act for or in place of another. *See* General Statutes § 9-601(18) (defining "agent").

Anonymous Contribution: Those contributions where the donor cannot be determined by any means, such as an envelope of cash sent through the mail without a return address. The campaign treasurer may not accept any anonymous cash receipt, regardless of amount. Rather, the treasurer must immediately forward the contribution in the manner in which it was received to the State Elections Enforcement Commission for deposit in the General Fund of the State of Connecticut. *See* General Statutes § 9-606(b).

Business Entity: Any stock corporation, bank, insurance company, limited liability company, business association, bankers association, insurance association, trade or professional association receiving funds from membership dues and other sources, partnership, joint venture, private foundation, trust or estate, cooperative or other association, and any similar organization or entity which is engaged in the operation of a business or profit-making activity. A non-profit entity would **not** satisfy the definition of "business entity." A solely owned professional service corporation (P.C.) or a sole proprietorship is considered an individual and not a business entity. *See* General Statutes §§ 9-601(8) (defining "business entity"); 9-601(9) (defining "individual").

Campaign Treasurer: A Connecticut elector (registered voter) appointed to serve as treasurer for a candidate committee; for a political committee, including exploratory, slate, and referendum committees; or for a party committee. Only the committee's properly designated campaign treasurer may deposit funds into, or expend funds from, the committee's depository account. *See* General Statutes §§ 9-601(12) (defining "campaign treasurer"); 9-606(d) (requiring campaign treasurers to be Connecticut electors); 9-608 (outlining requirements for statements that campaign treasurers file on behalf of candidate, party, and political committees).

Candidate: An individual seeking nomination or election to public office, who has solicited or expended funds to bring about that election or nomination, other than for a party committee; who can appear on the ballot having received the endorsement or nomination of a political party; or who has satisfied the requirements to appear on the ballot (*e.g.* "petitioning candidate"). *See* General Statutes §§ 9-601(11) (defining "candidate"); 9-400 (designating means for filling state or district candidacies); 9-406 (establishing process for circulating nominating petitions). Persons who have formed exploratory committees are considered candidates. An individual must register within ten days of becoming a candidate. *See* General Statutes § 9-604(a).

Candidate Committee: A committee established by a single candidate to promote only that candidate's nomination or election to a *specific* office. *See* General Statutes § 9-601(4) (defining "candidate committee"). A candidate may establish only one candidate committee for a particular office to be sought.

Caucus: A meeting of enrolled party members to select party-endorsed candidates for a party primary in a municipality or other political subdivision. *See* General Statutes § 9-372(1) (defining "caucus").

Committee Chairperson: A committee chairperson may be any individual who has signed the committee's registration statement as the designated chairperson. The chairperson is responsible for appointing and designating the treasurer and deputy treasurer of the committee on the committee's registration statement, along with the other required information. A party committee's chairperson is generally elected by the party membership. *See* General Statutes § 9-609(a).

Committee Treasurer: *See* **Campaign Treasurer**.

Communicator Lobbyist: 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. *See* General Statutes §§ 1-91(22) (defining "communicator lobbyist"), 9-601(16) (drawing on § 1-91 to define "communicator lobbyist" for purposes of campaign finance laws). Communicator lobbyists are to be distinguished from "client lobbyists" who are the clients that hire the communicator lobbyists. For more information on who is a client lobbyist or who is a communicator lobbyist, please contact the Office of State Ethics at 860-263-2400 or visit their website.

Contribution: Any gift, loan, payment or expenditure of money, goods or anything of value made for the purpose of influencing the nomination or election of any individual to office. The campaign treasurer must report all contributions, both monetary and non-monetary (or "in-kind"), that the committee has received. *See* General Statutes § 9-601a (offering broad definition for "contribution" as well as specific exceptions).

Convention: A meeting of a political party's delegates to choose the candidate or candidates of that party for state or district offices. *See* General Statutes § 9-372(2) (defining "convention").

Depository Institution: Under Connecticut's campaign finance laws, a candidate, political, or party committee must establish a checking account at a financial institution with a branch in Connecticut from which it will make all expenditures and deposit all monetary receipts. *See* General Statutes §§ 9-602(a) (directing campaign treasurer of committee to designate single depository institution for committee's funds); 9-607(e) (directing that majority of payments must be made by check, debit card, or credit card); Advisory Opinion 1975-6 (directing that all expenditures must emanate from checking account).

Deputy Campaign Treasurer: A "back-up" treasurer who steps in as treasurer if the campaign treasurer is unable to perform his or her duties for any reason. *See* General Statutes § 9-601(13) (defining "deputy campaign treasurer").

eCRIS (Electronic Campaign Reporting Information System): The Commission'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. *See* General Statutes § 9-675.

Entity: An organization, corporation, whether for-profit or not-for-profit, cooperative association, limited partnership, professional association, limited liability company, or limited liability partnership, whether organized in Connecticut or any other state. "Entity" includes any tax-exempt organization under Section 501(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, and any tax-exempt political organization organized under Section 527 of said code. *See* General Statutes § 9-601(18) (defining "entity").

Expenditure: Any outlay or disbursement of funds or anything of value when made to influence the election or nomination of a candidate for office, to promote the success or defeat of a referendum question, or to benefit a political party. *See* General Statutes § 9-601b (establishing meaning of "expenditure" for campaign finance purposes, and exceptions to that definition).

Exploratory Committee: A political committee that a candidate establishes to raise funds and gauge support for his or her candidacy while deciding whether to seek a particular public office. *See* General Statutes § 9-601(5) (defining "exploratory committee").

Individual: A human being, a sole proprietorship, or professional service corporation organized under Chapter 594a of the Connecticut General Statutes and owned by an individual. *See* General Statutes § 9-601(9) (defining "individual" for purposes of Connecticut's campaign finance laws).

In-Kind Contributions: Donation of goods, services, or anything of value that the recipient committee or candidate receives free of charge or at less than the usual charge. *See* General Statutes § 9-601a(a).

Lobbyist: 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. *See* General Statutes §§ 1-91(12) (as amended by Public Act 15-15) (defining "lobbyist"), 9-601(16) (drawing on § 1-91 to define "lobbyist" for purposes of campaign finance laws). The term lobbyist includes both communicator and client lobbyists. *See also* **Communicator Lobbyist**. For more information on who is a client lobbyist or who is a communicator lobbyist, please contact the Office of State Ethics at 860-263-2400 or visit their website.

Organization: All labor organizations, employee organizations, bargaining representative organizations for teachers, local, state or national organizations to which any labor organization pays fees or membership dues, as well as any trade or

professional association receiving its funds exclusively from membership dues. *See* General Statutes § 9-601(7) (defining organization).

Organization Expenditure: Certain expenditures made by party committees that benefit a municipal candidate but are exempted from the definition of "contribution." These expenditures can only be made for specific publications, advertisements, events, services, and office expenses outlined General Statutes § 9-601(25) (defining "organization expenditures").

Party Committee: A committee established by a political party, including a local town committee or state central committee, excluding party-affiliated district, ward, or borough committees, which are considered "political committees." *See* General Statutes § 9-601(2) (defining "party committee").

Petitioning Candidate: A candidate for public office who secures a place on the ballot through collection of signatures on nominating petitions issued by the Secretary of the State. *See* General Statutes § 9-453a.

Political Committee: A committee established by a business, organization, group of individuals, an exploratory candidate, or a slate of municipal candidates to promote the election or nomination of candidates for public office or to advocate for or against a referendum issue. Political committees may also be established by legislative leadership or legislative caucuses. *See* General Statutes § 9-601(3) (defining "political committee").

Political Slate Committee: *See* **Slate Committee**.

Slate Committee: A political committee formed by two or more candidates, within the same municipality, who are seeking municipal office in the same election or primary, for the sole purpose of funding their campaigns collectively. *See* General Statutes § 9-601(28). The term "slate committee" can also denote a slate of candidates that have selected the town committee as its sole funding source. In such a case, a separate committee is not formed, but the town committee (i.e. the town committee treasurer, the town committee depository account, etc.) is used for the benefit of the selected slate.

Solicitor: An individual, including a candidate, appointed by a campaign treasurer to receive funds or resources on behalf of a committee. *See* General Statutes § 9-601(14) (defining "solicitor").

Town Committee: A type of party committee affiliated at the municipal level.

Treasurer: *See* **Campaign Treasurer**.