Understanding Connecticut Campaign Finance Laws

A 2018 Guide for Statewide Office and General Assembly Candidates Not Participating in the Citizens' Election Program

STATE ELECTIONS ENFORCEMENT COMMISSION
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I. INTRODUCTION

This publication is designed to serve as a guide to the campaign finance laws applying to the political campaigns of candidates running for statewide office and General Assembly in Connecticut who are *not* participating in the Citizens' Election Program, a voluntary program which provides full public financing to qualified candidates. The Connecticut campaign finance laws that are applicable to such campaigns are set forth in Chapters 155 through 157 of the Connecticut General Statutes. An explanation of the laws applicable to candidates who *are* participating in the Citizens' Election Program is available at our website (www.ct.gov/seec) and in a separate guide. Commission guides are also available for candidates for other elective offices, for political committees that are formed to support or oppose candidates or to support or oppose ballot questions (referenda), and for party committees. Copies of the campaign finance laws, disclosure forms, and committee registration statements are available at both the State Elections Enforcement Commission's offices and on our website, www.ct.gov/seec.

A. Recent Changes in the Law

During the June 2017 special session, the legislature passed a series of amendments impacting campaign finance law, two of which impact nonparticipating candidates. First, they modified the formula the Commission uses in selecting General Assembly candidate committees for post-election review. Going forward, the randomized lottery will be weighted by taking into account the frequency with which a particular legislative district was reviewed during the last three preceding regular elections for that office. Second, they made revisions to the Commission's complaint procedures so that any complaints received on or after January 1, 2018 must be dismissed if the Commission does not issue a decision on the complaint within one year of receiving it. This one-year time limit may be extended due to the following: (1) the Commission or its staff granting any extension or continuance to a respondent prior to the issuance of a decision; (2) any subpoena being issued in connection with the complaint; (3) any litigation in state or federal court related to the complaint; or (4) any investigation by or consultation of the Commission or its staff with the Chief State's Attorney, the Attorney General, the United States Department of Justice, or the United States Attorney for Connecticut related to such complaint. *See* Public Act 17-2 (June Special Session). In light of such law change, respondents, including treasurers, should be prepared and organized to immediately respond to requests from the Commission in the event a complaint is filed against them.

During the 2016 legislative session, Public Act 16-203 was signed into law, which mandated that the majority of committees registered with the Commission file electronically by eCRIS, effective July 1, 2017. Specifically, the following committees are now required to file electronically: (1) candidate committees and exploratory committees of candidates running for statewide office, General Assembly, or judge of probate that raise or spend $1,000 or more; (2) all state central committees, legislative caucus committees and legislative leadership committees; (3) town committees and political committees registered with the Commission that raise or spend $1,000 or more during the current calendar year or in the preceding regular

election cycle; and (4) any other committees or other persons (including individuals and businesses) who make or obligate to make an independent expenditure in excess of $1,000 on behalf of a statewide office, General Assembly, or judge of probate candidate. If a treasurer is able to demonstrate good cause for not being able to file electronically, the Commission may waive the requirement. For the few committees that are permitted to file by paper with the Commission, Public Act 16-203 also added a provision that permits the Commission to consider a committee's receipt from the post office or a commercial delivery service confirming that the statement was made or should have been made to the Commission by the deadline. In addition, Public Act 16-29 imposed new solicitation and contribution restrictions on certain individuals affiliated with the Connecticut Retirement Security Authority.

B. Changes in this Guide

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

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

C. Requesting Compliance Advice

The Commission's Candidate Services Unit assists candidates, treasurers, and campaign staff in understanding and complying with campaign finance rules and requirements. Each campaign is assigned to one of the Commission's Candidate Services Liaisons to answer questions, listen to suggestions, and provide support. The Candidate Services Liaisons are part of the campaign finance compliance team, and work with compliance attorneys, disclosure staff, and information technology staff.

Important Note: *Every* candidate will be assigned a Candidate Services Liaison, who should always be **the *first* point of contact for candidates, treasurers, and campaign staff**. The Candidate Services team can be reached by email at public.finance@ct.gov or by telephone at 860-256-2985.

Anyone who is covered by Connecticut's campaign finance law may contact the Commission to discuss how the campaign finance provisions apply to them in a particular situation. Candidates, treasurers, and campaign staff should direct their questions initially through their Candidate Services Liaison, who works closely with the Legal Compliance Unit to answer questions. PLEASE DO NOT request advice for the SAME QUESTION using more than one point of contact in the agency.

1. **Call your Candidate Services Liaison at 860-256-2985.**

OR

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

   You may submit a request for written advice by emailing the Candidate Services Unit at public.finance@ct.gov or by sending a letter to:

   State Elections Enforcement Commission

   Attn: Candidate Services Unit

   Office of Governmental Accountability

   20 Trinity Street – 3rd Floor

   Hartford, CT 06106

   In your 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 Commission staff counsel; it is not binding on the Commission. However, the person to whom an opinion of counsel is rendered may rely upon the opinion with respect to any matter brought before the Commission based upon the same facts and circumstances. 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.

Where the Commission sees that similar questions are being asked by various individuals or concludes that the regulated community would best be served by quickly issued written guidance, the Commission may opt to issue an **advisory opinion**. An advisory opinion is an official Commission response to a question relating to the application of Connecticut campaign finance law and has general applicability.

Finally, the Commission may issue a **declaratory ruling.** The purpose of a declaratory ruling is to obtain the Commission's ruling as to the applicability to specified circumstances of a provision of the General Statutes, a regulation, or a final decision on a matter within the Commission's jurisdiction. A declaratory ruling generally involves a comment period and people on file as having requested notice of such opportunities to comment are made aware of the draft available for comment. Contact your Elections Officer to be added to this list if you would like such notice. 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. 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 Candidate Services and Legal Compliance Units 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 the Commission's Enforcement Unit.

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

   The Candidate Services and Legal Compliance Units may provide you only with advice concerning your current or future conduct.

3. **Issues that are not covered under the campaign finance statutes.**

   The Candidate Services and Legal Compliance Units 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, as well as advice about any Commission regulations that relate to these provisions and Commission advisory opinions and declaratory rulings.

II. REGISTRATION BY THE CANDIDATE

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:

1. Has solicited or received contributions, other than for a party committee, or made expenditures or given consent to any other person, other than a party committee, to solicit or receive contributions or make expenditures with the intent to bring about such individual's nomination or election to any office;

> **Important Note**: Individuals may, however, solicit or receive contributions on behalf of a party committee or give a party committee consent to make expenditures on their behalf without becoming a candidate. General Statutes § 9-601(11).

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);
3. Is otherwise qualified for placement on the ballot pursuant to the election laws (whether or not funds or resources have been solicited, received or spent); or
4. Registers with the Commission as a candidate (whether or not funds or resources have been solicited, received or spent).

All statewide office and General Assembly candidates are required to register with **the Commission no later than ten days after becoming a candidate.**

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

As discussed more fully below, candidates register by: (1) filing SEEC Form 1 and 1A to form a candidate committee; or (2) filing SEEC Form 1 and 1B claiming an exemption from forming a candidate committee, if eligible; or (3) filing SEEC Form 4 to form an exploratory committee, if applicable.

> **Important Note**: Failure to file SEEC Form 1 within ten days of becoming a candidate will result in the imposition of a mandatory $100 late fee, which may not be paid for with committee funds.

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

B. Designation and Registration of a Candidate Committee

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

A Candidate Committee registration form is referred to in this Guide as "the registration statement." A registration statement includes the following information:

1. The name of the committee;
2. The name, address, telephone number, and party affiliation of the candidate;
3. The name, address, and telephone number of the committee's treasurer and deputy treasurer, if a deputy treasurer is appointed;
4. The name and address of the depository institution in Connecticut in which a single checking account is established for the committee's funds;
5. Identification of the office being sought by the candidate and the date of the applicable election or primary; and
6. Signed and dated certifications by the candidate, treasurer, and deputy treasurer (if you have appointed one).

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

C. Exemption from Requirement to Form a Candidate Committee

A candidate who qualifies for an exemption is not required to form a candidate committee if the candidate files, along with the SEEC Form 1, a certification form, entitled "Certification of Exemption from Forming a Candidate Committee"(SEEC Form 1B), with the Commission.

SEEC Form 1B sets forth an exclusive list of the qualifying conditions for which the exemption from forming a candidate committee applies, which, for a statewide office or General Assembly candidate, are as follows:

a. The candidate intends to finance his or her campaign entirely from personal funds and will not receive or expend funds from any other sources; or
b. The candidate will not receive or expend in excess of $1,000 from all sources; or
c. The candidate does not intend to receive or expend ***any*** funds, including personal funds, for the campaign.

A candidate who has established a candidate committee may not later file a SEEC Form 1B exemption form for that office. A candidate who has an exploratory committee and then declares that he or she will seek nomination or election to a particular office also cannot utilize any of the 1B exemptions and must establish a candidate committee.

Most candidates who file SEEC Form 1B exemptions need not file the periodic campaign finance disclosure statements, though there is one exception. If a candidate claims the 1B exemption because he is financing his campaign exclusively using his own funds and he personally makes expenditures in excess of $1,000 in the aggregate for his campaign, then he is required to file itemized financial disclosure statements. This is accomplished by filing SEEC Form 23, entitled "Self Funded Candidate's Expenditure Statement." Such forms must be filed in accordance with the filing schedule required of candidate committees. See **Chapter VII. Reporting Information** for more information.

[General Statutes § 9-604(b)]

D. Designation and Registration of an Exploratory Committee

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 (entitled "Exploratory Committee Registration") with the Commission. The registration statement must designate the name and address of the committee treasurer, deputy treasurer (if any), the depository institution of the committee's checking account, and the 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.

For more information on when the candidate must dissolve his or her exploratory committee, please see **Chapter VIII. Termination of the Committee: Distribution of Surplus and Elimination of Deficit** or the Exploratory Dissolution/Candidate Committee Formation checklist, available on the Commission's website.

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

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

A candidate is prohibited from having more than one candidate committee registered to fund his campaign. A candidate who has registered a candidate committee for a particular public office 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 is required to notify that candidate of the formation of the political committee by certified mail as soon as the political committee is established. If the candidate does not disavow the political committee in writing to the Commission within fourteen days after receiving such notification, or if the candidate accepts any funds from the political committee within this time period, the political committee is automatically deemed to be the candidate's candidate committee.

A violation of this prohibition against having two simultaneously existing committees for a single office is considered an extremely serious violation of the election laws.

Important Note: Candidates with personal political committees must take care to ensure such committees are not spending to promote their candidacies.

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

F. Electronic Filing

The Commission's Electronic Campaign Reporting Information System ("eCRIS") provides treasurers and deputy treasurers with the ability to electronically submit their campaign finance statements. Committees may also electronically file their original and any amended registration statements through eCRIS (if both the candidate and the treasurer and deputy treasurer, if applicable, have eCRIS accounts).

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

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

eCRIS users benefit from the following:

- eCRIS provides its users with prompts and alerts treasurers to potential compliance issues;
- Treasurers can upload campaign finance data into eCRIS from Excel and other campaign management software applications using eCRIS's online interface;
- Treasurers may assign the data entry function to another individual and review the report for errors before filing;
- Treasurers can make amendments to previously filed registration or disclosure statements quickly; and
- Calculations required by law are system-generated, including aggregates for contributions and expenditures, thereby reducing potential errors.

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

You may also contact the eCRIS Helpdesk at 860-256-2930.

[General Statutes § 9-675(b)]

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

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

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

G. When and How to Amend a Registration Statement

Any additions or revisions to a registration statement (i.e. a change in treasurer) must be made in writing (original must be submitted to the Commission's offices by mail or hand delivery) or electronically submitted (both the candidate and treasurer and deputy treasurer, if applicable, must have eCRIS accounts) to the Commission by the candidate within ten days of the addition or revision. Completion of an amended SEEC Form 1 and SEEC Form 1A (if applicable) is required with any changed information. Use of eCRIS expedites this process, and ensures compliance.

If a candidate who has filed SEEC Form 1B faces a change in circumstances regarding campaign funding, 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 the exemption under any of the qualifying conditions, the candidate must file the SEEC Form 1A, "Candidate Committee Registration," within the three days.

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

H. Designation of a Depository Institution for Committee Funds

The name and address of a single depository institution located in Connecticut must be designated on the committee's registration statement. All committee funds should be deposited **into a single checking account** established within the designated depository and all expenditures may be made only by the treasurer or deputy treasurer, if applicable, from this one account. The treasurer and deputy treasurer, if applicable, should be the only signatories on the checking account. Note that the depository account number is not required on the registration statement, so candidates may register their committees before they have physically opened up an account.

[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 toll free telephone number 1-800-829-4933. Additionally, information is available at the following IRS websites: www.irs.gov or www.irs.gov/eo. Commission staff cannot provide information or advice about these rules or requirements.

I. Appointment of a Treasurer or Deputy Treasurer

All committees are required to appoint one individual, who is a Connecticut elector, as *treasurer* and should appoint another individual as deputy treasurer. 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.

In the case of an exploratory committee or candidate committee, the candidate appoints the treasurer and deputy treasurer. 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, signifying their acceptance of the appointment. Once appointed, the treasurer and deputy treasurer serve until the committee is terminated. The committee 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 treasurer's duties, please see **Chapter III. Responsibilities of the Treasurer**.

[General Statutes §§ 9-602(a) and (c), 9-604(a)]

J. Resignation and Replacement of the Treasurer

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

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

candidate designate a successor treasurer to fill the vacancy by filing an amended SEEC Form 1/1A with the Commission within the ten days.

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

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

K. Who May Not Be Treasurer or Deputy Treasurer of a Statewide Office or General Assembly Candidate Committee or Exploratory Committee

The following individuals may not serve as treasurer or deputy treasurer of a statewide or General Assembly candidate or exploratory committee:

- An individual who is not a Connecticut elector may not serve as treasurer or deputy treasurer.
- A candidate may not serve as his or her campaign's treasurer or deputy treasurer. This is true whether or not the authorized funding source of the candidate's campaign is a candidate committee or an exploratory committee.
- State department heads and deputy department heads may not serve as treasurer or deputy treasurer of a statewide office or General Assembly candidate committee or exploratory committee.
- Practically speaking, *communicator lobbyists*, their immediate families (spouse and dependent children), and their agents may not serve as treasurer or deputy treasurer for a statewide office or General Assembly candidate or exploratory committee since they cannot *bundle* contributions for such committees.
- Practically speaking, a member of the Investment Advisory Council may not act as treasurer or deputy treasurer for an exploratory or candidate committee for State Treasurer since they are not permitted to solicit contributions for such committees. Also, a principal of an investment services firm that does business with the State Treasurer may not serve as treasurer or deputy treasurer for an exploratory or candidate committee established by the incumbent State Treasurer during the Treasurer's term of office since they cannot solicit contributions for such an exploratory or candidate committee.
- A person who has not paid civil penalties or forfeitures assessed against him under the campaign finance statutes may not serve as treasurer or deputy treasurer. In addition, a person may not serve as treasurer or deputy treasurer if the person has been convicted of or pled guilty or *nolo contendere* to any felony involving fraud, forgery, larceny, embezzlement or bribery, or any criminal offense under the state election or campaign finance laws unless at least eight years have elapsed from the date of the conviction or plea or the completion of any sentence, whichever date is later, without a subsequent conviction of or plea to another such felony or offense.

A principal of a state contractor may now be designated as treasurer or deputy treasurer of a statewide or General Assembly candidate's committee, subject to the

state contractor contribution provisions and certain solicitation provisions. If you are a candidate who wishes to designate a principal of a state contractor as your committee's treasurer or deputy treasurer, or you are a principal of a state contractor who would like to serve as treasurer or deputy treasurer, please see Section B of **Chapter V. Restrictions on Who May Contribution and Solicit Funds: State Contractor Contribution and Solicitation Provisions**.

[General Statutes §§ 9-606(d), 9-610(h), 9-612, 9-622(11)]

L. Completion of "Affidavit of Intent Not to Abide by Expenditure Limits" or "Affidavit of Intent to Abide by Expenditure Limits"

All candidates for statewide office and General Assembly must file with the Commission either an affidavit of intent not to abide (SEEC Form CEP 11) or an affidavit of intent to abide by Citizens' Election Program requirements (SEEC Form CEP 10). Nonparticipating candidates must file SEEC Form CEP 11 no later than 4:00 p.m. on the 25th day before the day of a primary, if applicable, or on the 40th day before the day of the election for such office. In the case of a special election for the office of state senator or state representative, the candidate must file such affidavit no later than four o'clock p.m. on the 25th day before the date of such special election.

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

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

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

Candidates who have filed a Certification of Exemption from Forming a Candidate Committee (SEEC Form 1/1B) are not required to file an Affidavit of Intent to Abide by Expenditure Limits and Other Program Requirements or an Affidavit of Intent Not to Abide by Expenditure Limits. They are considered nonparticipating candidates.

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

If you intend to apply for a public campaign grant under the CEP, then you must file SEEC Form CEP 10 rather than a SEEC Form CEP 11.

For more information, see Understanding Connecticut Campaign Finance Laws: A 2018 Guide for Statewide Office and General Assembly Candidates Participating in the Citizens' Election Program.

[General Statutes § 9-703(a)]

III. RESPONSIBILITIES OF THE TREASURER

A. Makes and Authorizes Expenditures

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

All committee expenditures must be made by committee check or debit card drawn on the committee's checking account, or 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, when necessary).

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 the 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 actual 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. Committee debit cards may **only** be used by the treasurer.

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

Nonparticipating candidate committees for statewide office or General Assembly are required to report all expenditures made or incurred. This includes each campaign expenditure of more than $50 that the candidate has made directly from his personal funds except those expenditures for his own telephone calls, travel and meals for which he does not seek reimbursement from the committee. This disclosure is reported in Section O entitled "Campaign Expenses Paid by Candidate," of the SEEC Form 30. At the time of this disclosure, the candidate must indicate whether or not reimbursement is sought. The disclosure must be made by the close of the relevant reporting period and must be made even if the candidate does not seek reimbursement. It is imperative that candidates report expenditures they make to the treasurer in a timely manner.

[General Statutes §§ 9-607(k), 9-712]

B. Deposits All Monetary Receipts

The committee's treasurer must deposit all funds received by the committee in the committee's single checking account within **twenty days** of receipt.

The treasurer must ensure that any funds or resources received by the committee are lawful and within the aggregate limits permitted under the campaign financing laws. Receipts that are either prohibited or otherwise in excess of the permissible limits set forth by law should not be deposited. Rather, the treasurer should return them to the donor within twenty days of receipt or by the filing deadline for transactions falling within the reporting period, whichever is earlier.

If the treasurer deposits a monetary receipt into the committee's account that is later deemed unlawful, the treasurer must report the deposit on the financial disclosure statement (SEEC Form 30) and refund the same amount without delay to the donor on a check drawn on the committee's checking account. Any such refund must be reported as an expenditure in Section N of the SEEC Form 30 using the "**REF**" Expenditure Code for that purpose. Wherever possible, such refunds should be made in the same reporting period as the funds were deposited. The same rules apply to non-monetary receipts (such as in-kind contributions) that are from improper sources or that exceed the relevant contribution limit.

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

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

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

C. Retains All Records and Receipts

The treasurer must retain internal records in order to substantiate all receipts and expenditures made by the committee, as well as bank records and documentation for fundraising events. The chart below provides examples of types of such records.

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

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

The treasurer must keep these internal records for four years from the date of the financial disclosure statement 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 VII. Reporting Information**.

D. Maintains Service Agreements

In all instances where the committee agrees to pay an individual more than $100 for his or her work or 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.

Nonparticipating candidate committees 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 law requires the treasurer to file all of the committee's required financial disclosure statements. For more information on how and when to submit financial disclosure statements, see **Chapter VII. Reporting Information**.

[General Statutes § 9-608(a)]

F. Appoints and Oversees Solicitors

The only individuals who may receive contributions and donations on behalf of a candidate committee are the treasurer, deputy treasurer, and solicitors. The treasurer may appoint solicitors to help with fundraising. A *solicitor* is any individual who is

appointed by the campaign treasurer to receive, but not deposit or spend, funds or resources on behalf of the committee. Receiving funds is different than merely asking that donations be given to a committee. One who merely asks for donations to be transmitted to a committee, but who does not actually receive the contributions is not a solicitor. A solicitor is someone who receives contributions on the committee's behalf.

Candidates, their treasurers and deputy treasurers, as well as volunteers and campaign workers, may personally solicit (ask for) funds for the campaign. Treasurers and deputy treasurers do not need to be appointed as solicitors in order to request or ask for funds. Treasurers, however, do need to appoint the candidate and any campaign workers or volunteers who will be receiving funds on behalf of the campaign as official solicitors. A treasurer may appoint as many solicitors as he wants – there is no limit on the number of solicitors.

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

[General Statutes § 9-602(a)-(b)]

The treasurer is required to keep records of each solicitor appointment, including an accurate list of the name and address of each solicitor, and the terms of appointment. Although the names of solicitors are not disclosed in the committee's financial disclosure statements, the law requires the treasurer to keep these internal records. Documentation of solicitor appointments may be requested in an enforcement action or audit of the committee.

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;
- 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; and
- Solicitors must collect contribution certification documentation (if required) for contributions they receive and must provide the documentation to the treasurer when delivering the contributions.

[General Statutes §§ 9-601(14), 9-606(a) and (c), 9-622(10)]

G. Limitations on Who May Solicit Contributions

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

State department heads and deputy department heads may not act as solicitors for any candidate or political party.

Principals of state contractors and prospective state contractors, including their spouses and dependent children over the age of eighteen, with respect to a contract with the *legislative* branch may not solicit contributions for a General Assembly candidate or exploratory committee from employees of the state contractor or prospective state contractor or from their subcontractor or principals of the subcontractor.

Principals of state contractors and prospective state contractors, including their spouses and dependent children over the age of eighteen, with respect to a contract with the executive branch may not solicit contributions for a statewide office candidate or exploratory committee from employees of the state contractor or prospective state contractor or from their subcontractor or principals of the subcontractor.

In addition, principals of investment services firms and members of the Investment Advisory Council may not solicit contributions on behalf of an exploratory or candidate committee established by a candidate running or considering a run for State Treasurer. Moreover, the following individuals are prohibited from soliciting contributions from a principal of an investment services firm on behalf of an exploratory or candidate committee established for any public office: the State Treasurer or any candidate for State Treasurer, any agent of any such candidate, the Deputy State Treasurer, any member of the State Investment Advisory Council, and any unclassified employee in the office of the State Treasurer acting on behalf of the State Treasurer or Deputy State Treasurer.

Communicator lobbyists are also restricted in how they may solicit for General Assembly or statewide office candidates:

- Communicator lobbyists are prohibited from bundling contributions on behalf of a General Assembly or statewide office candidate or exploratory committee. "Bundle" is defined as the forwarding of five or more contributions to a single committee by a communicator lobbyist, an agent of the lobbyist, or an immediate family member of a lobbyist or raising contributions for such a committee at a fundraising affair held, hosted or sponsored by such lobbyist, lobbyist's agent or immediate family member.
- Communicator lobbyists may not solicit contributions from individuals who serve on the board of directors of, are partners of, are employed by, or have a five percent or more ownership interest in any client lobbyist they represent.
- There is also a sessional lobbyist contribution and solicitation ban that applies to both client and communicator lobbyists and their political committees during legislative session. This applies during any regular legislative session, or during special sessions or vote-override sessions in odd-numbered years. During those designated times, no lobbyist may contribute to or solicit on behalf of any state officer or legislator's candidate or exploratory committee, a political committee for a particular legislative district or a political committee established or controlled by a state officer or a legislator.

Municipal employees are prohibited from soliciting funds for the benefit of any candidate from an individual under the supervision of such employee or their spouse or dependent children.

In addition, there are certain limitations on solicitations by chiefs of staff. A chief of staff of a legislative caucus may not solicit contributions from an employee of the legislative caucus; a chief of staff for a Statewide elected official may not solicit contributions from a member of such official's staff; and a chief of staff of the Governor or Lieutenant Governor may not solicit contributions from a member of the Governor or Lieutenant Governor's staff or from any commissioner or deputy commissioner of any state agency.

[General Statutes §§ 9-601(14), 9-610(h) and (i), 9-612(e) and (f), 9-622(11)-(12) & (14)-(16)]

IV. RAISING FUNDS FOR YOUR CAMPAIGN

Nonparticipating candidate committees may raise funds through contributions from individuals and other committees, subject to certain limitations discussed below. While contributions are often monetary in nature, they may take other forms as well. 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 are treated as contributions or as donations which are not contributions, and how to disclose these types of receipts, if at all, on the treasurer's financial disclosure statement.

This section provides information regarding permissible and impermissible contributions, other permissible sources of funds for nonparticipating statewide office and General Assembly candidate and exploratory committees, and the appropriate means by which funds may be collected. For more information on how to report these contributions and receipts, please see **Chapter VII. Reporting Information**.

A. Contributions

1. Permissible Sources and Limits

a. Individuals

A candidate or exploratory committee may accept contributions from individuals, which is defined as:

- A human being who is either a United States citizen or a foreign national with permanent resident status in the United States;
- A sole proprietorship; or
- A professional service corporation organized under chapter 594a and owned by a single human being.

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

Table 1A
Individual Contribution Limits

OFFICE SOUGHT	LIMITS
Governor	$3,500*
Lt. Governor, Secretary of State, State Treasurer, State Comptroller, Attorney General	$2,000*
State Senator	$1,000*
State Representative	$250*
Exploratory Committee *(for offices excluding State Representative)*	$375**
Exploratory Committee *(for offices including State Representative)*	$250**

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

** Contributions to an exploratory committee are not counted against the particular contributor's contribution limit with respect to the same candidate's candidate committee for the same election cycle. The exploratory committee's surplus and liabilities must be transferred to the candidate committee of the same candidate.

[General Statutes §§ 9-601(9), 9-611(a) and (b); 2 U.S.C. § 441e; 52 U.S.C. § 30121]

Important Note: For purposes of allocating contributions between a primary and election, any contribution made during the period beginning with the date that the committee was established through the date of the primary is counted toward the primary limitation, and any subsequent contribution is counted toward the election. For example, if the donor's contribution limit is $250 and he contributes $250 by primary day, then he may give an additional $250 for the election after primary day. Another donor who gave $100 of the applicable $250 limit by primary day would be allowed to give only another $250 for the election. 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 contribution in relationship to primary day. Additionally, the candidate must remain on the election ballot in order to qualify for additional contributions relating to the election. This means that if a candidate has an opponent on the primary ballot, but such opponent withdraws from the race before the primary and there are no other primary opponents, the contribution limits would not reset.

Contributions from an individual less than eighteen years of age may be accepted to a maximum of $30 for the duration of the committee.

[General Statutes § 9-611(e)]

As laid out in the table below, lower contribution limits apply to communicator lobbyists (as well as their immediate family), officials and individuals employed in the unclassified service in the executive branch or a quasi-public agency, by a constitutional officer, or employed as caucus staff for the General Assembly. The lower contribution limits apply to members of the immediate family of the communicator lobbyist, employer or official as well. If you are uncertain about whether a particular individual is subject to these special limits, please contact the Commission.

Table 1B

Special Contribution Limits for Executive and Legislative Officials and Communicator Lobbyists

OFFICE SOUGHT	LEGISLATIVE BRANCH CAUCUS STAFF[1]	COMMUNICATOR LOBBYISTS[3]
Governor	$3,500	$100
Lieutenant Governor	$2,000	$100
Secretary of State, State Treasurer, State Comptroller, Attorney General	$2,000	$100
State Senator	$100[2]	$100
State Representative	$100[2]	$100
Exploratory Committee *(for offices excluding State Representative)*	$375	$100
Exploratory Committee *(for offices including State Representative)*	$250	$100

[1] These limits also apply to the immediate family of such individuals.

[2] These limits apply separately if the candidate is on the ballot in both a primary and the general election.

[3] These limits also apply to the immediate family of such individuals, and to political committees established or controlled by a communicator lobbyist or member of the immediate family of a communicator lobbyist.

[General Statutes §§ 9-610(g), 9-612]

b. Political Committees

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

Table 2

Contribution Limits for Political Committees Established by Two or More Persons, a Business Entity, a Labor Organization or Established for a Single Election

OFFICE SOUGHT	LIMITS
Governor	$5,000*
Lt. Governor, Secretary of State, Treasurer, Comptroller, Attorney General	$3,000*
State Senator	$1,500*
State Representative	$750*
Exploratory Committee	$375

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

Important Note: There is a $100 contribution limit for political committees established or controlled by a communicator lobbyist or member of the immediate family of a communicator lobbyist. That limit does **not** apply separately if the candidate is involved in both a primary and the general election.

[General Statutes §§ 9-610(g), 9-613(d) and (e), 9-615(a) and (b), 9-618(a) and (b), 9-619(a) and (b)]

Table 3

Legislative Leadership and Legislative Caucus Committee Contribution Limits

	CONTRIBUTOR SOURCE	
OFFICE SOUGHT	LEGISLATIVE CAUCUS COMMITTEE	LEGISLATIVE LEADERSHIP COMMITTEE
Governor	PROHIBITED	PROHIBITED
Lt. Governor, Secretary of State, Treasurer, Comptroller, Attorney General	PROHIBITED	PROHIBITED
State Senator	$10,000*	$10,000*

	CONTRIBUTOR SOURCE	
OFFICE SOUGHT	**LEGISLATIVE CAUCUS COMMITTEE**	**LEGISLATIVE LEADERSHIP COMMITTEE**
State Representative	$5,000*	$5,000*
Exploratory Committee	PROHIBITED	PROHIBITED

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

[General Statutes § 9-618(d)]

Important Note: Independent expenditure political committees may never make contributions to candidate committees. Expenditures by such committees must be truly independent, meaning they must be made wholly and totally without coordination, consent, or consultation with the candidate or any agents of the candidate. Expenditures made in coordination with a candidate are impermissible contributions.

c. Party Committees

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 4

Party Committee Contribution Limits

OFFICE SOUGHT	STATE CENTRAL COMMITTEE	TOWN COMMITTEE
Governor	$50,000*	$7,500*
Lt. Governor, Secretary of State, Treasurer, Comptroller, Attorney General	$35,000*	$5,000*
State Senator	$10,000*	$5,000*
State Representative	$5,000*	$3,000*
Exploratory Committee	$375	$375

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

Please note that party committees may also make organization expenditures on behalf of statewide office and General Assembly candidates as more fully discussed later in this chapter.

[General Statutes § 9-617(b) and (c)]

2. In-Kind Contributions

The previously mentioned contribution limits and prohibitions apply to all contributions, whether monetary or in-kind. An *in-kind contribution* is the donation of goods, services or anything of value given free of charge or at a discount, i.e. at less than the usual and normal charge to the recipient committee. An in-kind contribution is valued at the market value or what the committee would need to pay to any other source to obtain similar goods or services, less any amount paid by the recipient committee. All contributions, including in-kinds, must be disclosed in the committee's financial statements.

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 Nonparticipating Candidate X's campaign, using her own personal computer. However, the cost of hosting the campaign website and purchasing a domain name is $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 the filing of the committee's termination statement.

[General Statutes § 9-606(a)]

3. Non-Independent (Coordinated) Expenditures

Nonparticipating candidates must be careful when working closely with groups or individuals that support them. Collaborating on strategy or spending with supporters could result in the group or individual making a "coordinated expenditure" on behalf of

a candidate committee, which constitutes a contribution and must be both from a permissible donor and within such donor's applicable contribution limit.

Coordinated expenditures are considered contributions under the law. In Public Acts No. 10-187 and 13-180, the General Assembly amended the definition of independent expenditures. These changes created a "rebuttable presumption" that expenditures made in certain ways or by certain persons or groups are coordinated with the candidate. While the candidate committee could overcome this presumption by showing that an expenditure truly was independent, committees may be served best by understanding the scenarios that could invoke these presumptions.

Important Note: Public Act 13-180 added a new requirement in the law regarding liability of candidates, treasurers, or their agents. If the Commission finds that an expenditure is coordinated in a manner not permissible under the statutes (as for example with a business entity), the candidate, agent, and treasurer who participated in or had knowledge of the coordination are jointly and severally liable for paying any penalty levied by the Commission.

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

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

If an expenditure is coordinated by an individual or a committee with a candidate (or a candidate's agent) and payment or reimbursement is not made by the candidate committee within a reasonable time, the coordinated expenditure constitutes an in-kind contribution to that candidate's campaign. If an expenditure is coordinated by an independent expenditure political committee, a business entity, a 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.

Candidates who have established or control a political 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.

Important Note: In order to be considered independent, expenditures must be made totally and wholly independent of a candidate, campaign, or any agent. Expenditures must be truly independent – "a wink and a nod" between a spender and a candidate or her agent is no more acceptable than a written agreement. Expenditures that are not wholly independent must be reported as in-kind contributions.

[General Statutes §§ 9-601(19), 9-601c, 9-622(13)]

4. Loans as Contributions

All loans, except those made by a nonparticipating candidate to his candidate committee or by a bank in the ordinary course of business, are considered contributions. As contributions, these loans are capped at 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 (including the candidate) 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 nonparticipating candidate to his candidate committee or by a bank or other financial institution in the ordinary course of its business to any committee—but such loans must be reported in the committee's campaign finance statement. A nonparticipating candidate can always forgive a loan he has made to his committee since he can provide unlimited personal funds. The candidate's forgiveness of the loan must also be itemized in the campaign finance report.

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. See, Table 1A.

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

5. Impermissible Sources

There are a number of sources that cannot make contributions to statewide office or General Assembly candidates and such candidate committees should not accept them:

- Contributions from a national committee of a political party are prohibited.

  [General Statutes § 9-616(b)]

- Contributions from another candidate committee are prohibited, as are contributions from a committee of a candidate for federal or out-of-state office.

  [General Statutes § 9-616(a) and (b)]

- Only the candidate's own exploratory committee may distribute surplus funds to the candidate's own candidate committee; surplus fund distributions are prohibited from an exploratory committee of an individual who is not the candidate of the recipient candidate committee.

  [General Statutes § 9-608(c)]

- Contributions from a political committee established solely to support or oppose referendum questions, or to support a slate of candidates for municipal office are prohibited.

  [General Statutes §§ 9-610, 9-612, 9-620]

- Although the law now permits independent expenditures by business entities and organizations, *contributions* from a business entity, labor union or other organization or entity remain prohibited. (Contributions from **political committees** established by such entities are permissible in accordance with applicable limits, as previously outlined.)

  [General Statutes §§ 9-612, 9-613(a) and (g), 9-614(a) and (d)]

- Contributions of more than $30 in the aggregate from any minor under eighteen years of age are prohibited.

  [General Statutes § 9-611(e)]

- While the General Assembly is in session, contributions from communicator and client lobbyists or political committees established by or on behalf of a lobbyist are prohibited. When the legislature is not in session, communicator lobbyists, their immediate family members, and political committees established or controlled by any of these may only give contributions up to $100. For more information, please see **Chapter V. Restrictions on Who May Contribute and Solicit Funds**.

  [General Statutes § 9-610(e)-(h)]

  Contributions are prohibited from individuals who are principals of state contractors and prospective state contractors doing business with the branch of government in which the candidate is seeking office. If a contractor is on the Department of Administrative Services' prequalification list, its principals cannot contribute to candidates for either the legislative or executive branch. In the case of an exploratory committee, the prohibitions are also branch-specific – If the candidate's exploratory registration statement has indicated he or she is considering a run for both a statewide and General Assembly office, however, principals of either branch cannot contribute. For more information, please see **Chapter V. Restrictions on Who May Contribute and Solicit Funds**.

  [General Statutes § 9-612]

- Contributions from any other committee (including a federal political committee) or entity which is not registered in accordance with Connecticut's campaign finance laws are prohibited.

  [General Statutes § 9-602]

- Contributions from an individual, political committee, or party committee to eliminate a deficit remaining from the campaign are prohibited if the same contributor has already contributed the maximum amount to the campaign.

6. Contributor Certification Forms

Treasurers are required to report each contribution received, as discussed more fully in **Chapter VII. Reporting Information**. To facilitate this process, the Commission strongly recommends that treasurers use the applicable sample form for all contributors (Form C for nonparticipating General Assembly candidates or Form D for nonparticipating candidates for statewide office). These sample forms are available on the Commission's website at www.ct.gov/seec.

The sample forms request that each contributor provide the following information:

- Contributor's name and address;
- Contributor's principal occupation;
- Name of contributor's employer;
- The contributor's status as a communicator lobbyist or an immediate family member of a communicator lobbyist; and
- The contributor's status as a state contractor or prospective state contractor or a principal of a state contractor or prospective state contractor with respect to a state contract with the branch of government in which the candidate is seeking.

The relevant definitions necessary to explain the requested certifications must also be provided.

Any individual who makes a contribution in any form that separately or in the aggregate exceeds $50 **must** certify to the individual's status as a principal of a state contractor or prospective state contractor, communicator lobbyist or an immediate family member of a communicator lobbyist. If the treasurer receives a contribution exceeding $50 in the aggregate without the required certification, he must send a request for certification by certified mail, return receipt requested, to the contributor not later than three business days after receiving the contribution. The treasurer should not deposit the contribution. If the treasurer does not receive the certification within fourteen days of his written request, or by the end of the reporting period in which the contribution was received (whichever is later), he must return the contribution.

While all of this information 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 becomes **necessary** as contributions are aggregated throughout the calendar year. For example, while an individual who contributes $50 or less to a candidate committee is not required to complete the lobbyist and state contractor certifications, such certifications are required as soon as that individual contributes in excess of $50 in the aggregate.

Important Note: It is always illegal for a ***General Assembly campaign*** to accept any contribution from a principal of a current or prospective legislative branch state contractor, or a ***statewide office campaign*** to accept a contribution from a principal of a current or prospective executive branch state contractor, *regardless of dollar amount*. The treasurer should, therefore, collect certification forms even for contributions that do not exceed $50 in the aggregate because if he deposits a contribution based on a certification that is later determined to be false, the certification serves as a complete defense to any action against the committee, including a complaint investigated by the Commission for the treasurer's receipt of the contribution. In other words, the treasurer may rely on the contributor certification and without one, the treasurer will be liable for receiving an illegal contribution.

Treasurers are not required to obtain and keep more than one certification form from each contributor, unless information certified to by the contributor (other than the amount contributed) changes. However, if the information has changed and the treasurer has not obtained a new certification, the old certification will not act to protect the treasurer against liability. Because of this, the Commission strongly recommends that the treasurer obtain a new certification form for every contribution.

[General Statutes § 9-608(c)(3)]

B. 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. For example, some types of expenditures made by certain committees on a candidate committee's behalf are not considered contributions. Also, certain transactions may result in receipts that are not considered contributions, depending on the source and dollar value of the receipt. However, 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. Moreover, once the limits imposed by a given exemption are exceeded, the *entire* receipt must be reported as a contribution.

[General Statutes § 9-601a(b)]

The following is a list of the most common types of monetary and non-monetary receipts **not** considered contributions. Where appropriate, we provide information regarding how to report the receipt that falls within the exceptions. For more information on reporting these receipts, see **Chapter VII. Reporting Information**.

1. Reportable Receipts

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 such transaction would not be deemed a contribution if the cumulative value of the items donated or purchased does not exceed **$100**.

For *donations* not exceeding $100 in the aggregate, treasurers report them in Section J3, "In-Kind Donations Not Considered Contributions," of SEEC Form 30. For *purchases*

not exceeding $100 in the aggregate, treasurers are no longer required to list the names of individuals who make such purchases but rather report the purchases in lump sum in Section J1 for the filing period.

[General Statutes § 9-601a(b)(9)]

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 J3 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 J1 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 because the cumulative value of his purchases is over $100. This monetary receipt constitutes a $110 contribution from John that is counted against his contribution limit to the committee and must be separately itemized in Section B of SEEC Form 30.

b. Certain Business Entity Donations

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

First, a business entity (e.g. a restaurant) may sell to a candidate committee food or beverages 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 primary or election. These discounts are not considered in-kind contributions because of this exception and are reported in Section J3, "In-Kind Donations Not Considered Contributions," of SEEC Form 30.

[General Statutes § 9-601a(b)(6)]

Second, the donation by a business entity of goods or services for a **fundraising event** may also be a permissible source of funds if the aggregate value of the goods or services donated does not exceed $200. These items will also be reported in Section J3 as in-kind donations not considered contributions. Please note that a business entity may **only** donate goods or services that it sells or provides as part of its business. A business entity may not purchase goods for a fundraiser or provide funds to a

committee with which to buy goods under this exception. If the value of these goods or services **exceeds** $200, it is a **prohibited 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 J3. 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 – now at $250 – exceeds $200 and therefore this exemption does not apply. The in-kind contribution may not be accepted and must either be returned immediately by the treasurer, or purchased from ABC Corporation.

c. House Party Exception

There is also a special provision relating to the expenses of a fundraising affair or gathering held for a candidate or committee by an individual or individuals in their home. Generally, under the "house party exception" to the definition of "contribution" and "expenditure," an individual or individuals may pay the costs of invitations, food, and beverages, subject to the dollar limits described below, so long as the house party is held at one of the individual host's residential premises, or a community room at such individual's residence facility. In order for such an event to qualify under the "house party exception," the following requirements apply:

- The cumulative value for any single event hosted by an individual on behalf of any candidate or committee does not exceed $400 (this means that if a single individual is hosting a house party at his residence, he is limited to spending $400 on the event);
- The aggregate, cumulative value of the invitations, food, or beverages provided by an individual for several events hosted by that individual on behalf of any one candidate or committee does not exceed $800 in total with respect to a single election (this means that an individual can host multiple events – spending no more than $400 at each event – under the house party exception as long as the total cost he spends across all of the events during the election cycle is no more than $800);
- The cumulative value for any single event hosted by two or more individuals on behalf of any candidate does not exceed $800, provided at least one of the hosting individuals owns or resides at the residential premises (note that each host can spend no more than $400 individually on the event, as previously mentioned).

These costs under the house party exemption and within the applicable house party exemption limits are in-kind receipts that are not counted against such individual's contribution limit, but must be disclosed in Section J4, "In-Kind Donations Not Considered Contributions Associated with a House Party," of SEEC Form 30.

Important Note (2015 Form Change): The SEEC Form 30 now has a section dedicated to reporting all house party costs, **Section J4**. Please see the instructions to the SEEC Form 30 for help with completing this section.

In order for the event to qualify for the "house party" exemption, the entire cost of the event (invitations, food, beverages, etc.) should not exceed the $400/$800 amount. The candidate or committee is permitted to pay for a portion or all of the costs of the invitations for the event but aside from invitations, the host(s) must pay for the event. The committee cannot plan to hold a far more expensive event and merely pay for any amount that exceeds the house party limit. In other words, the $400/$800 amount is not an offset for a more expensive party.

Important Note: If the amount of food, beverages (or invitations, if applicable) provided by an individual or other individuals exceeds the applicable house party exemption limits, the entire amount provided constitutes an an-kind contribution and counts against the contribution limit for such individual or individuals.

Alternatively, the home owner or resident can provide his or her residence free of charge and the campaign can pay for all costs associated with the event.

2. Non-Reportable Receipts

a. Organization Expenditures

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

Organization expenditures may be made for the following:

- The preparation, display, mailing, or distribution of a party candidate listing. A "party candidate listing" is a communication that (1) lists the name or names of the candidates, (2) is distributed through public advertising, direct mail, telephone, electronic mail, Internet, or personal delivery, and (3) is made to promote the success or defeat of any candidate or slate of candidates, referendum or political party. Such communications cannot solicit funds for or on behalf of a candidate committee;
- Printed or electronic documents including an electronic page providing merchant account services to be used by a candidate for the collection of online contributions, party platforms, issue papers, information on Connecticut election law, voter registration lists, and voter identification information that a party, legislative caucus, or legislative leadership committee creates or maintains

for party or caucus building and gives to candidates who are members of the same party;

- A campaign event at which a candidate or candidates are present. If a nonparticipating candidate attends such an event, he or she may bring a treasurer or designated solicitor to collect contributions in connection with his or her appearance; or
- A professional advisor on campaign organization, financing, accounting, strategy, law, or media.

The significance of an "organization expenditure" is that it does not count against the donor's contribution limit, they may be either coordinated or independent, and there are no limits on how much and on what type of organization expenditure a party committee, legislative caucus committee, or legislative leadership committee may make on behalf of a nonparticipating candidate committee. ***Legislative leadership committees, legislative caucus committees, and party committees are the only types of committees that may utilize this exemption for General Assembly candidates. Party committees are the only type of committee that may utilize this exemption for statewide office candidates.***

The scope of what constitutes an organization expenditure is construed narrowly. For the complete definition of "organization expenditure" see Section 9-601(25) of the General Statutes. Any committee authorized to make an expenditure may seek guidance from the Commission about whether the planned outlay of funds constitutes a permissible organization expenditure.

Nonparticipating candidate committees on whose behalf organization expenditures are made are not required to report them. They are reported by the committee that made them and by the time that committee submits the financial disclosure statement reporting the organization expenditure, it is required to provide notice of the organization expenditure to the candidate committee of the candidate for whom it was made.

[General Statutes §§ 9-601(25), 9-601a(16), 9-608(c)(5), 9-718; Declaratory Ruling 2011-01]

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

An individual may donate food or beverages for consumption at a 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 beverages donated by the individual for a single meeting or event does not exceed $50.

Such food or beverages donations are no longer reported on the SEEC Form 30 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 K of the SEEC Form 30.

Note that this exemption may 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 beverages does not exceed $50.

This exemption applies per individual, which means that each attendee may bring food or beverages valued at up to $50 to a non-fundraising event and this donation would not be considered a contribution.

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

c. 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 F: XYZ Corporation invites a senate 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 G: 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.

d. Use of Facility Space

The use by a candidate committee of offices, telephones, computers, and similar equipment provided by a party committee, legislative caucus committee or legislative leadership committee that serve as headquarters for or are used by such committee is not considered a contribution or expenditure. ***Note that legislative caucus committees or legislative leadership committees may only offer the use of such headquarters space or equipment to candidates for General Assembly***.

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

- Customarily makes the space available to civic and community groups;

- Makes the space available to any other candidate or committee upon request; and
- Makes the space available on the same terms given to other groups.

If these three conditions cannot be met, then the provision of space would constitute an impermissible business or organization contribution.

Note that if the committee must still pay something for use of the space, then this of course would be reported as a traditional expenditure in Section N of the SEEC Form 30.

[General Statutes § 9-601a(b)(19); Advisory Opinion 2010-02]

e. Certain Candidate Communications (Endorsements)

Where a communication contains an endorsement made by a statewide office or General Assembly candidate on behalf of another statewide office or General Assembly candidate, it is neither an expenditure by the candidate making the endorsement nor a contribution from him or his candidate committee to the candidate being endorsed, provided that:

- The candidate making the endorsement is unopposed at the time of communication; *and*
- The campaign of the candidate being endorsed has paid for the communication.

Where a communication contains an endorsement made by a General Assembly candidate on behalf of another General Assembly candidate and it is sent by mail to addresses in the district for which the candidate being endorsed is running, it is neither an expenditure by the candidate making the endorsement nor a contribution from him or his candidate committee to the candidate being endorsed, provided that

- The candidate making the endorsement is not seeking election for a district that contains any geographical area shared by the district the endorsed candidate is seeking; *and*
- The campaign of the candidate being endorsed has paid for the communication.

[General Statutes §§ 9-601a(b)(22) and (23), 9-601b(b)(10) and (11)]

f. Volunteer Services

As previously discussed, uncompensated services provided by individuals volunteering their time on behalf of an exploratory or candidate committee, and any unreimbursed travel expenses of an individual who volunteers personal services to the committee, are not considered contributions.

An individual is considered a volunteer if he or she is not receiving compensation for the services provided, regardless of whether the individual received compensation in the past or will receive compensation in the future.

Please note that services provided by an individual for which that individual receives compensation from another committee, individual, or any other entity must be reported as an in-kind contribution, and are subject to source and amount restrictions. 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.

[General Statutes § 9-601a(b)(4)]

g. *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, including, but not limited to, the sending or receiving of electronic mail or messages. 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 for any single election or calendar year.

[General Statutes § 9-601a(b)(18)]

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

h. 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, for example, while business entities may not make contributions to 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 the term "lawn sign" to mean a sign of a temporary nature measuring not more than 32 square feet.

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

i. 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. It must be truly independent of the candidate and campaign, made wholly and totally independent of the candidate and her agents. It cannot be made pursuant to "a wink and a nod" any more than it can be made pursuant to an express agreement. 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 section on non-independent (coordinated) expenditures). It is recommended that candidates, treasurers, campaign managers are familiar with the difference between independent expenditures and non-independent (coordinated) expenditures, and train campaign staff accordingly, to avoid impermissible coordination. If you have any questions about these issues, please contact our compliance team via your candidate services liaison.

[General Statutes § 9-601c]

C. Methods of Payment

1. Cash and Check Contributions

Monetary receipts from individuals may only be accepted by the committee in specific forms, specifically:

- The first $100 contributed in the aggregate may be made by cash, personal check, bank instrument or credit card; and
- Once the individual has contributed $100 in the aggregate, any remaining monetary contributions may only be made by personal check or credit card.

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

EXAMPLE: Charles gave a $100 check to a state senate candidate committee. The following month, Charles makes another contribution for $10 at a fundraising event for the same committee. This $10 is also considered a contribution to the committee and is counted toward Charles' contribution limit. Since Charles has already given $100 to the committee, however, he must pay the $10 by either check or credit card – he may not use cash.

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)]

If contributions by check, cash, or money order are over $50, they must be accompanied by the contributor's signed certification form. The Commission strongly recommends that the treasurer obtain signed certifications from all contributors, however, regardless of amount.

[General Statutes § 9-608(c)(3)]

2. Credit Card / Online Contributions

Individuals may make contributions to a candidate committee by credit card (including their personal debit card) either in person, by mail, by telephone or over the Internet. Because the 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:

1. Full name of the individual making the contribution;
2. Residence home address, zip code and telephone number of contributor;
3. Billing address on record with card issuer (if different than residence address) or the last four digits of the credit card;
4. Individual's email address;
5. Amount of contribution;
6. Certification as to whether a contributor is a communicator lobbyist, or member of the immediate family of a communicator lobbyist, for contributions that separately, or in the aggregate, exceed $50 (best practice is to obtain it at all amounts);
7. Certification that contributor is not a covered principal of a state contractor or prospective state contractor for contributions that separately, or in the aggregate, exceed $50 (best practice is to obtain it at all amounts);
8. Principal occupation, to the extent known, if individual's aggregate contributions to the committee exceed $100 (best practice is to obtain it at all amounts);
9. Name of employer, if individual's aggregate contributions to the committee exceed $50 (best practice is to obtain it at all amounts);
10. Donor must affirm the statement: "I am 18 years of age or older";
11. Contributor must affirm the statement: "I certify that this contribution is made on my personal credit card for which I have a legal obligation to pay and intend to pay from my own personal funds, is not being reimbursed in any manner, is not being made as a loan, is not an otherwise prohibited contribution, and that

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

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

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

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.

Important Note: ***Help is Available!*** The Commission strongly recommends that treasurers, in designing their contribution interface follow this link and use the Commission's sample online interface for credit card contributions. Commission staff also offers review of the website for nonparticipating campaigns that would like to ensure compliance. If you would like your website to be reviewed by Commission staff, please contact your assigned Elections Officer. You will need to provide a link to your online contribution interface.

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 spreadsheet export from the merchant account processor can be assimilated to the upload template so treasurers can batch input these contributions. Call the eCRIS Helpdesk at 860.256.2930 for guidance if you have trouble finding the upload template or issues uploading your information.

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

D. Testimonial Affairs

A testimonial affair is an event held in honor of a candidate or in honor of an individual who holds elective office during his or her term of office. No testimonial affair can 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, all funds raised or received 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.

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

Important Note: Where a *political committee* wants to have an officeholder or candidate present at its own 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 political committee.

V. Restrictions on Who May Contribute and Solicit Funds

There are certain limitations that exist in the law governing contributions and solicitations by lobbyists and principals of state contractors. These provisions will now be discussed in turn.

A. Lobbyist Contribution and Solicitation Provisions

Lobbyists, as well as their immediate family members, agents, and political committees established or controlled by them, are restricted from soliciting contributions on behalf of statewide office or General Assembly candidate and exploratory committees and are limited in the amount of money they may contribute to such committees.

A client lobbyist is an individual or entity who makes expenditures in excess of $3,000 in a calendar year for lobbying. A communicator lobbyist is someone compensated for lobbying over $3,000 in any calendar year and 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.

[General Statutes § 1-91(12) & (22) (as amended by P.A. 15-15)]

1. Lobbyist Sessional Ban

While the General Assembly is in session, client lobbyists and communicator lobbyists and political committees established by or on behalf of them may not make or offer to make a contribution to or solicit a contribution on behalf of:

a. A candidate committee or exploratory committee established by a candidate for General Assembly or statewide office; or

b. A political committee that is:

   1. Established for an Assembly or Senatorial district;
   2. Established by a member of the General Assembly or a statewide officer or such member or officer's agent, or in consultation with, or at the request or suggest of, any such member, officer or agent; *or*
   3. Controlled by such member, officer or agent to aid or promote the nomination or election of any candidate or candidates to the General Assembly or statewide office (this includes legislative leadership and legislative caucus committees).

The ban applies during any regular session of the General Assembly, during any special session of the General Assembly held between the adjournment of the regular session in an odd-numbered year and the convening of the regular session in the following even-numbered year, and during any reconvened session of the General Assembly held in an odd-numbered year to reconsider vetoed bills. The ban begins when the session convenes and ends when the session adjourns.

The sessional lobbyist contribution ban applicable to client and communicator lobbyists does not apply to (1) candidate committees in a special election for the office of State

Senate or State Representative from the date the candidate files his or her committee to the date of the special election; or (2) an exploratory committee established by a member of the General Assembly to promote his candidacy for an office other than General Assembly.

This ban applies to any monetary or non-monetary receipt from the client or communicator lobbyist or political committee established or controlled by the lobbyist, whether or not it is a "contribution," as defined by law. This means, among other things, that the ban supersedes the exception that a business entity, labor union or other organization may communicate (or solicit) with their restricted class of members and their families on any subject.

All political committees established or controlled by a client or communicator lobbyist must file a certification notifying the Commission of that relationship. This is accomplished by the biennial registration process whereby political committees will file a registration form with the Commission in November of even numbered years which will, in part, provide information about whether the committee is established or controlled by a lobbyist. The Commission maintains a list of political committees that are established or controlled by or on behalf of a client or communicator lobbyist, as well as a list of political committees that are deemed to be prohibited recipients of contributions from a lobbyist and political committees established by or on behalf of a lobbyist. The Commission must periodically provide these lists to statewide officers and General Assembly leaders, and the lists are also posted on the Commission's website.

[General Statutes §§ 1-91(12) & (22) (as amended by P.A. 15-15), 9-610(e) and (f)]

2. Communicator Lobbyist $100 Contribution Limit

When outside of the time period of the sessional ban described above, communicator lobbyists, their immediate family members (spouse and dependent children), and political committees established or controlled by communicator lobbyists or their immediate family, may make contributions up to $100 to, or for the benefit of, candidate or exploratory committees of candidates for statewide office or General Assembly.

[General Statutes § 9-610(g)]

3. Communicator Lobbyist Solicitation Provisions

Communicator lobbyists, their immediate family members and agents, and political committees established or controlled by any of them may not knowingly solicit a contribution from any individual who is a member of the board of directors of, an employee of or a partner in, or who has ownership interest of more than five percent in, any client lobbyist on behalf of whom the communicator lobbyist lobbies for the benefit of a candidate or exploratory committee of a candidate for statewide office or General Assembly.

Communicator lobbyists and their agents and immediate family members are additionally prohibited from "bundling" contributions for an exploratory or candidate committee established by a candidate for statewide office or General Assembly. "Bundle" is defined as the forwarding of five or more contributions to a single committee by a communicator lobbyist, an agent of the lobbyist, or an immediate family member of a lobbyist or raising contributions for such a committee at a

fundraising affair held by, hosted by, or sponsored by such lobbyist, lobbyist's agent or immediate family member.

[General Statutes §§ 9-601(24) and (27), 9-610(h) and (i)]

4. When is a Political Committee Considered to be "Established or Controlled by" a Communicator Lobbyist or Member of the Communicator Lobbyist's Immediate Family?

A political committee was ***established*** by a communicator lobbyist or immediate family member of a communicator lobbyist if:

- A communicator lobbyist or member of his immediate family appeared as an officer on the political committee's original registration statement; or
- The business entity or organization that established the committee was a registered communicator lobbyist; or
- For a business entity or organization that is a communicator lobbyist and formed a political committee on or after December 31, 2006, the initial disbursement or contribution to the committee was made by an officer, director, owner, limited or general partner, or at least 5% shareholder of the entity forming the political committee.

If the political committee meets one of the three preceding criteria, then it will be deemed to be "established by" a communicator lobbyist only if the communicator lobbyist ***remained*** a registered communicator lobbyist as of December 31, 2006 or thereafter.

The Commission considers three factors when determining whether a political committee is ***controlled by*** a communicator lobbyist or the immediate family member of a communicator lobbyist. To assess this control, the Commission evaluates whether the communicator lobbyist or family member:

- Has substantial involvement or influence in the decision-making concerning how the committee solicits or makes contributions or expenditures, or in the day-to-day activities of the political committee;
- Directs or participates in the appointment or selection of the committee's officers; and/or
- Serves as committee chairperson, treasurer, deputy treasurer or other officer.

[Declaratory Ruling 2006-2]

5. Candidate and Public Official Exemptions

The above-mentioned restrictions on communicator lobbyists contributing to, bundling for, or soliciting certain individuals for statewide office and General Assembly candidate and exploratory committees do not apply to the campaign of a communicator lobbyist, immediate family member of a communicator lobbyist or agent of a communicator lobbyist who is a candidate for public office or to an immediate family member of a communicator lobbyist who is an elected public official.

[General Statutes § 9-610(j)]

B. State Contractor Contribution and Solicitation Provisions

State contractors, prospective state contractors, and their principals, with regard to a state contract or state contract solicitation with the Executive branch, as well as principals of a holder of a valid prequalification certificate issued by the Commissioner of Administrative Services, are prohibited from making contributions to or soliciting contributions from their employees and from their subcontractors and principals of their subcontractors on behalf of an exploratory committee or candidate committee of a candidate for statewide office.

State contractors, prospective state contractors, and their principals, with regard to a state contract or state contract solicitation with the Legislative branch, as well as principals of a holder of a valid prequalification certificate issued by the Commissioner of Administrative Services, are prohibited from making contributions to or soliciting contributions from their employees and from their subcontractors and principals of their subcontractors on behalf of an exploratory committee or candidate committee of a candidate for General Assembly.

[General Statutes § 9-612(f)(2)]

1. "State Contract" Defined

Not all contracts with the State are covered by these provisions. "State contract" is defined as any single agreement or contract with the state or any state agency in the Executive or Legislative branch of state government or any quasi-public agency having a value of $50,000 or more, or a combination or series of such agreements or contracts having a value of $100,000 or more in a calendar year, for (1) the rendition of services, (2) the furnishing of any goods, material, supplies, equipment or any items of any kind, (3) the construction, alteration or repair of any public building or public work, (4) the acquisition, sale or lease of any land or building, (5) a licensing arrangement, or (6) a grant, loan or loan guarantee.

The types of state contracts that are covered by these provisions are broad. For instance, if a business or nonprofit group receives a fee or remuneration from a third party as a result of the business entity's or nonprofit's agreement with the state, the agreement would constitute a state contract provided the financial threshold is satisfied, even if the state does not directly pay the fee or remuneration.

Contracts with the judicial branch that are not paid by the executive branch are not included for purposes of the underlying prohibition on contributions, nor are contracts with municipalities. The other limited exceptions to the definition of state contract are those contracts or agreements that are exclusively federally funded, educational loans, or loans to an individual for other than commercial purposes (e.g. a loan for the purchase of residential property), or any agreement or contract between the state or any state agency and the United States Department of the Navy or Department of Defense.

[General Statutes § 9-612(f)(1)(c)]

2. "State Contract Solicitation" Defined

State contract solicitation means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for

proposal, request for information or request for quotes, inviting bids, quotes, or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

[General Statutes § 9-612(f)(1)(J)]

3. "State Contractor," "Prospective State Contractor," and "Subcontractor" Defined

State contractor refers to a person, business entity, or nonprofit that enters into a state contract. Such person, business entity, or nonprofit is deemed a state contractor until December 31st of the year in which such contract terminates.

Prospective state contractor refers to a person, business entity, or nonprofit that (1) submits a response to a state contract solicitation by the state, a state agency, or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency, or a quasi-public agency, until the contract has been entered into, or (2) holds a valid prequalification certificate issued by the Commissioner of Administrative Services.

Subcontractor refers to a person, business entity or nonprofit that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization is deemed a subcontractor until December 31st of the year in which the subcontract terminates.

The law further clarifies that state contractors and prospective state contractors do not include a municipality or other political subdivision of the state, entity or association created by a municipality or political subdivision, or an employee in the Executive or Legislative branches or a quasi-public agency, whether in the classified or unclassified service or full or part-time (in such person's capacity as a state or quasi-public agency employee).

[General Statutes § 9-612(f)]

4. "Principal" Defined

The principals of state contractors and prospective state contractors for purposes of the contribution and solicitation bans are as follows:

For **Business Entities** (all types of businesses, regardless of its form of organization):

- Members of the board of directors;
- Owners of at least 5% of the business;
- President, treasurer, and executive vice president;
- Employees with managerial or discretionary responsibility with respect to the state contract, meaning those employees who have direct, extensive, and substantive responsibilities with respect to the negotiation of the state contract rather than peripheral, clerical, or ministerial responsibilities;
- The spouse and dependent children (children who are 18 years of age or older, residing in the individual's household, and who may be legally claimed as a dependent on the individual's federal income tax return) of any of the above individuals; and

- Any political committee established or controlled by the business entity or by any of the above individuals.

For **Nonprofit Organizations** (all types of nonprofits, regardless of tax-exempt status):

- Chief executive officer or, if none, officer with comparable powers and duties;
- Employees with managerial or discretionary responsibility with respect to the state contract, meaning those employees who have direct, extensive, and substantive responsibilities with respect to the negotiation of the state contract rather than peripheral, clerical, or ministerial responsibilities;
- The spouse and dependent children (children who are 18 years of age or older, residing in the individual's household, and who may be legally claimed as a dependent on the individual's federal income tax return) of any of the above individuals; and
- Any political committee established or controlled by the nonprofit or by any of the above individuals.

[General Statutes § 9-612(f)]

Note that the law applies the same definition of principal for purposes of the subcontractor solicitation ban (discussed below).

5. Exemption for Principals of State Contractors and Prospective Contractors who are Candidates or Elected Public Officials

A principal of a state contractor or prospective state contractor may run for office and may establish his or her own candidate or exploratory committee and solicit contributions for such committee from the state contractor's employees, as well as its subcontractors and employees of its subcontractors (unless such individuals are prohibited from contributing to his campaign), without violating the state contractor solicitation provisions.

Moreover, a principal of state contractor or prospective state contractor who is an elected public official is not covered by the state contractor provisions and may therefore make and solicit contributions that would otherwise be deemed illegal under these provisions.

EXAMPLE: Representative Smith's husband is a principal of a state contractor with regard to a contract with the legislative branch. Mr. Smith cannot make a contribution to a senate candidate committee because principals of legislative branch state contractors cannot contribute to candidate committees of candidates for General Assembly. Representative Smith is also deemed a principal of a state contractor by virtue of her husband's status. She, however, can make a contribution to this candidate in her individual capacity because she is also an elected public official and is therefore exempt.

[General Statutes § 9-612]

6. Determining Whether a Contributor is a Principal of a Current or Prospective State Contractor

Generally, a contributor will know whether he or she meets the definition of a principal of a current or prospective state contractor. State agencies are also required to provide a notice to their state contractors and prospective state contractors, advising them of the contribution and solicitation restrictions, directing them to provide notice of the law to their principals, and informing them of the possible consequences of violations of the law by using the SEEC Form 10 or SEEC Form 12 or by incorporating the contents of this notice into its contracts. The chief executive officer of the state contractor or prospective state contractor, or an authorized signatory to the contract, must submit a written acknowledgement to the contracting agency that the contractor received this notice. State contractors and prospective state contractors are then required to inform their principals of the restrictions and potential penalties for any violation of these restrictions.

The Commission also maintains three lists of state contractors and prospective state contractors on its website, www.ct.gov/seec. Please note that these lists are based on information from the State Comptroller's office and reporting by the state agencies and **are not** exhaustive. Accordingly, the fact that a contributor's employer is not listed on one of the state contractor lists does not foreclose the possibility that the employer is a state contractor or prospective state contractor.

A treasurer can best protect him or herself by having each contributor complete and sign a contributor certification form for every contribution regardless of the amount, which certifies to the contributor's status as a principal of a current or prospective state contractor. A treasurer is entitled to rely on such certifications and it will provide the treasurer with a good faith reliance defense should the contributor later be deemed to be a principal of a state contractor or prospective state contractor.

As is discussed above, there is a sample contributor certification form (Form C for nonparticipating General Assembly candidates or Form D for nonparticipating candidates for statewide office) available on the Commission's website at www.ct.gov/seec.

[General Statutes § 9-612(f)]

7. Receipt of a Prohibited State Contractor Contribution

a. "Right to Cure" Improper Contribution

There is a statutory "Right to Cure" which provides that improper contributions may be returned to avoid the legal consequences of the state contractor ban. If a principal of a state contractor or prospective state contractor inadvertently violates the campaign contribution prohibition, no legal consequences arise if the treasurer returns the improper contribution to the principal within thirty days of receipt of the contribution or the campaign report filing date corresponding with the reporting period in which the contribution was made, whichever is later.

For example, if a spouse of a state contractor with a legislative branch agency makes a contribution to a General Assembly candidate committee in February, and the treasurer returns the contribution by April 10, which is the applicable filing date for the period requiring reporting of such contributions, no violation occurs, and no penalties

can be assessed. It is suggested that if such an improper contribution is made, the principal making such contribution request the refund in writing, and as soon as the problem is discovered.

If the improper contribution is not timely discovered, the committee should contact the Commission's Compliance Unit for further assistance.

[General Statutes § 9-612(f)(2)(C)]

b. Civil and Criminal Penalties for Violation of State Contractor Provisions

A treasurer of a committee that is prohibited from receiving contributions from a principal of a state contractor or prospective state contractor and who does so is subject to potential civil and/or criminal penalties.

The Commission may also impose civil penalties against the principal of up to $2,000 per offense, or twice the amount of the contribution, whichever is greater. The Commission could also seek criminal prosecution against the violator if there is evidence that the violation was committed knowingly and willfully. The crime is considered a Class D felony. The Commission could also impose civil penalties on the state contractor or prospective state contractor if it is determined that it did not make reasonable efforts to comply, such as by informing its principals of the applicable prohibitions and consequences.

[General Statutes §§ 9-7b, 9-623]

C. Investment Services Contribution and Solicitation Provisions

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

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

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

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

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

[General Statutes §§ 9-612, 9-613(f)]

D. Retirement Security Authority Contribution and Solicitation Provisions

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

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

VI. SPENDING COMMITTEE FUNDS

Spending by committees must be for a lawful purpose, as is discussed more fully below. There are additional guidelines for spending regarding sharing expenses with other committees and the manner in which the committee may use cash for expenditures. Finally, there are some prohibitions on spending, such as personal use and buying votes. The permissible uses of nonparticipating candidate committee funds and guidelines for use are discussed below.

A. Permissible Expenditures Generally

All of the committee's expenditures must be made to promote the nomination or election of the candidate who established the committee. Permissible expenses, if made or incurred to promote the candidate's campaign, include but are not limited to the rental of real and personal property, the purchase of computers and other electronic 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.

No goods, services, funds and 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.

Other improper expenditures include any expenditures by committee officers or workers which have no substantial relationship to the committee's lawful activity. The treasurer must authorize all committee expenditures.

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

[General Statutes §§ 9-607(g), 9-616]

B. Joint Expenditures with Another Committee

1. Joint Expenditures Generally

A "joint expenditure" is an expenditure shared by more than one committee, where each committee pays it proportional, *pro rata* share of the expense. While a candidate committee is prohibited from making any contributions or expenditures that benefit other candidates or committees, there are two general exceptions to this rule:

1. A candidate committee may make joint expenditures with other committees and pay its *pro rata* share of the expenses of operating a campaign headquarters and of preparing, printing and disseminating any political communication that benefits its candidate. The committee may either pay vendors directly for its share or may reimburse another committee for its share (so long as the committee being reimbursed has not received a CEP grant).
2. A candidate committee may reimburse a party committee for any expense incurred by the party committee to benefit the candidate. 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 committee that makes an expenditure which benefits another candidate must disclose it in Section N, entitled "Expenses Paid by Committee," of SEEC Form 30 along with the name or names of the other candidates supported, and must also indicate that the expense was coordinated with reimbursement sought. The committee must be reimbursed by the other candidate's committee at the time of the expenditure to avoid making a prohibited contribution. The recipient committee shall then report the reimbursement received from the other committee in Section C2 entitled "Reimbursements or Payments from other Committees" of SEEC Form 30.

The Commission urges committees that choose to share the expenses of operating a campaign headquarters or preparing, printing, or disseminating any political communication as described above to keep detailed documentation of each committee's *pro rata* share of expenditures. Joint communications will also require an attribution from each committee, as described further below.

[General Statutes §§ 9-608(c)(1)(B), 9-610(b), 9-616(a)(5)]

Important Note: *Pro rata* means the proportion of space or time devoted to a single candidate in relationship to all other candidates. In the case of a printed advertisement, *pro rata* means the proportion of space devoted to each candidate. In the case of audio or video advertising, *pro rata* means the percentage of time used. Other factors to consider in determining pro rata share might be whether one campaign utilized its paid consultant to design or produce the communication. The Commission will permit any reasonable allocation that is made in good faith by the treasurer of the candidate committee making the expenditure that benefits other candidates.

2. Joint Events to Benefit Two or More Committees

Two or more committees may hold a joint fundraising or meet-and-greet event together.

First, each committee taking part can pay its proportional share of the expenses associated with the event and have contributors write separate checks out to each involved committee. Committees opting for this arrangement should keep in mind that all joint communications sent out for the event, including invitations, would have to bear the attributions of both committees. See **Attribution Requirements for Communications**, later in this chapter.

In addition, such committees should document how they decide to allocate each committee's proportional share of the expenses associated with the event.

Alternatively, two or more nonparticipating candidate committees may choose to form a separate political committee for the limited purpose of holding one or more of these fundraising events.

Prior to holding any such event, the candidates must determine how the net proceeds will be divided. This can be done either on an equal basis or by any other ratio agreed upon by the candidates. Each monetary receipt, whether or not a contribution, will be attributed to the donor and distributed to each of the committees which formed the political committee in accordance with the candidates' prior agreement, or on an equal basis if there is no agreement, provided that notice of how the proceeds are to be divided must be given to those solicited and attending the fundraising event. Receipts so divided must be counted against any aggregate limits applicable to donors giving to the candidates' committees. This counting of limits applies to both contribution limits and the ceilings applicable to transactions that are exemptions from contributions.

After each fundraiser is held and all of the expenses related thereto are paid by the treasurer of this political committee, the proceeds must be distributed within fourteen days after the event to each of the candidate committees in the applicable distribution ratio. Funds may be transferred to the political committee by each of the candidate committees to pay expenses of the event, but must be in accordance with the allocation ratio agreed upon for division of the proceeds. Within seven days of the committee's final distribution, the treasurer is required to dissolve the committee and file a terminating financial disclosure statement with the Commission.

[General Statutes § 9-610(a)]

C. Reimbursements to Consultants, Committee Workers, and Candidates

The committee may reimburse a consultant, committee worker, or candidate if:

1. The consultant, 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 consultant, worker, or candidate provides the treasurer with a written receipt from the vendor proving payment by the consultant, 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 expenditure made by the *candidate* from his own funds that is not reimbursed is considered personal funds, which is unlimited for a nonparticipating candidate. 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 O of SEEC Form 30 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.

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

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

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

[General Statutes §§ 9-601a(b), 9-607(g)(2)(O) and (j)]

D. Disclosure of Secondary Payees

If a committee hires a consultant, and the consultant has made any payments to a vendor (such as for media advertising) as part of the contract with the committee, the

consultant should provide details of the payments to the treasurer as such vendor(s) (secondary payees) are required to be disclosed in Section R of SEEC Form 30.

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

This disclosure is not optional. We strongly recommend that treasurers use the language provided in our sample fee arrangement forms, 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 § 9-608(c)(1)]

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 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) and must be reported by the treasurer in the same manner as any other expenditure. 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 must report any petty cash returned in Section I, "Miscellaneous Monetary Receipts not Considered Contributions," of the SEEC Form 30.

[General Statutes § 9-607(e); Regulations of 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.

[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. (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, and 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 nonparticipating candidate may make unlimited contributions to his 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 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.

When the committee dissolves and 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 (or "disclaimer") requirements which pertain to "written, typed or printed communications or web-based written communications." These include communications that support or oppose a candidate, that solicit campaign funds, or both.

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

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

[General Statutes § 9-621]

1. "Paid For By"

Any committee which 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.

Any candidate without a committee because he is self-financing or is not intending to raise or spend 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"

In addition to the foregoing attribution requirements, communications financed by any candidate, committee, or individual with the cooperation of, at the request or suggestion of or in consultation with any candidate, agent of a candidate or candidate or exploratory committee or directly by a candidate or exploratory committee, must also include on the face of the communication the words "approved by" together with the name of the candidate who approved the communication, whether or not the communication is in support of the approving candidate or an approved candidate communication 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 no longer required to include the words "approved by" together with the names of the candidates on the slate. Rather, it need only include the "paid for by" language followed by the name of the party committee.

[General Statutes § 9-621(a) and (i)]

3. Special Attribution for State Treasurer Candidates

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

[General Statutes § 9-621(f)]

4. Additional Requirements for Television or Internet Video Advertising Communications

In addition to the "paid for by" and "approved by" attribution requirements outlined above, any candidate, candidate committee or exploratory committee that finances any television advertising or Internet video advertising in support of the candidate sponsoring the communication or in opposition to 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 clearly identifiable photograph or similar image of the sponsoring candidate;
- A clearly readable printed statement identifying the sponsoring candidate and indicating that the sponsoring candidate has approved the advertising (which is satisfied by the "paid for by" and "approved by" attribution set forth above); and
- A simultaneous, personal audio message in the following form: "I am (sponsoring candidate's name) and I approved this message."

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

[General Statutes § 9-621(b)(1)]

5. Additional Requirements for 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 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 that:

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

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

[General Statutes § 9-621(b)(2)]

6. Attribution Requirements for Campaign "Robo" Telephone Calls

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

[General Statutes § 9-621(b)(3)]

7. Special Requirements for Deficit After the Election

In addition to the "paid for by" and "approved by" attribution requirements described 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.

[General Statutes § 9-621(e)]

Important Note: Contributions made to reduce a deficit count towards the donor's general election contribution limit, and are not subject to a separate limit. Thus, if a donor has already contributed the maximum amount, in dollars or in-kind, he cannot make any further contributions after the election.

8. 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)]

VII. 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 file reports when the expenditures exceed $1,000 for the campaign.

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

B. How and Where to Report?

The SEEC Form 30 (Itemized Campaign Finance Disclosure Statement) or, if applicable, the SEEC Form 21 (Short Form Campaign Finance Disclosure Statement) must be filed with the Commission. Treasurers can use 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 their creation to the close of the relevant reporting period and has not previously filed a SEEC Form 30. Once the campaign exceeds the $1,000 threshold, it must use the SEEC Form 30 for the remainder of the campaign. Moreover, the first SEEC Form 30 must include **all** of the reportable financial transactions which have occurred since the committee's inception. A candidate who funds his campaign entirely from personal funds should file SEEC Form 23 once his expenditures have exceeded $1,000 in the aggregate.

EXAMPLE: A state senate candidate committee is established on January 2 and then begins to spend and receive money. It does not raise or spend more than $1,000 by March 31st 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 30 for the July 10th filing and report *all* financial activity between January 2 and June 30. The committee must file all subsequent reports using the SEEC Form 30.

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

C. Electronic Online Reporting (eCRIS)

The Commission's Electronic Campaign Reporting Information System ("eCRIS") enables treasurers to electronically submit required committee registration information and campaign finance statements detailing the receipts and expenditures of the committee. In addition, eCRIS provides its users with prompts, and alerts treasurers to potential compliance issues.

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

eCRIS users benefit from the following:

- **Treasurers have until 11:59 p.m. on the filing deadline to submit their filings via eCRIS** whereas paper filers must have their filings physically at the Commission's offices by 5:00 p.m. on the filing deadline.
- Treasurers can upload campaign finance data into eCRIS from Excel and other campaign management software applications using eCRIS's online interface;
- Treasurers may assign the data entry function to another individual and review the report for errors before filing;
- Treasurers can make amendments to previously filed registration or disclosure statements quickly; and
- Calculations required by law are system-generated, including aggregates for contributions and expenditures, thereby reducing potential errors.

If you are currently serving as a candidate, treasurer, deputy treasurer, or data entry operator of a candidate committee, go to the Commission's website to set up an eCRIS user ID and to learn more about eCRIS. You may also contact the eCRIS Helpdesk at 860-256-2930.

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

D. When to File?

Statements filed by eCRIS are timely if transmitted to the Commission not later than 11:59 p.m. on the deadline date. For those permitted to file by paper (see previous section), statements filed as a hard copy are timely if they are hand-delivered or delivered by U.S. postal service, courier or parcel service to the Commission's offices and received by 5:00 p.m. on the deadline day. Paper filers should also be aware that in Advisory Opinion 2014-02, the Commission articulated that in order to be deemed a filing, a disclosure statement must, at a minimum: (1) be signed and dated under penalty of false statement by the treasurer; (2) cover the applicable time period required by the applicable section or subsection of General Statutes § 9-608; and (3) be on the proper form (SEEC Form 30 or SEEC Form 21). While submissions that do not meet these requirements will be date-stamped and made publicly available, they will not be deemed filings and will result in penalties for late/non-filing if they are not timely filed. Committees may not attach printed spreadsheets or other information in lieu of completing any section of the SEEC Form 30.

1. Quarterly and Pre-Primary/Election Statements

a. Quarterly and Pre-Primary/Election Statements Generally

The treasurer must file quarterly financial disclosure statements which must be received by the Commission on the following deadline dates: the 10th day of January, April, July and October. Candidates who do not face an opponent participating in the CEP have filings due on the 7th day prior to the election and, if in a primary, on the 7th day prior to the primary. Nonparticipating candidates who are opposed by one or more candidates participating in the CEP have weekly supplemental statements due in lieu of these filings, as discussed in the next section. All candidates who participate in primaries also have filings due 30 days after the primary regardless of their opposition.

These statements must be submitted at some time during the filing period, which begins the day after the close of the reporting period and ends on the filing deadline date. If such deadline falls on a Saturday, Sunday or legal holiday, the statement shall be filed on the next business day. For example, the July 10th reporting period ends June 30, so that statement can be filed any time between July 1 and July 10 (or the next business day if July 10 falls on a weekend or legal holiday). A more specific calendar, with the actual filing dates and reporting periods, is available on the Commission's website.

The reporting period for each disclosure statement filed on the 10th day of January, April, July and October and the statement due 30 days after the primary 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 11:59 p.m. on the last day of the month preceding the month in which the statement is required to be filed. Disclosure statements due on the 7th day preceding the primary or election 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 11:59 p.m. of the second day preceding the required filing deadline day. *As described below, committees required to file weekly supplemental statements are not required to file the 7th day preceding primary or 7th day preceding general election statements.*

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.

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

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

b. Late Filing Fees for Quarterly and Pre-Primary/Election Statements

Failure to file any of the financial disclosure statements previously referred to by the applicable deadline date results in an automatic and non-discretionary $100 late filing fee, which is the personal responsibility of the treasurer and cannot be paid from committee funds. The Commission will notify the treasurer within ten days after the missed filing date. Late filing fees are payable to the Treasurer, State of Connecticut, and mailed to the State Elections Enforcement Commission.

In addition, 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 constitute a violation of General Statutes § 9-608 and will subject the treasurer or candidate to an additional civil penalty of $200 to $2,000 per late statement.

[General Statutes § 9-623]

2. Supplemental Disclosure Statements for Candidates in a Race with a Participating Candidate

a. Weekly Supplemental Statements Generally

*All treasurers of **all** candidate committees in a race in which there is at least one participating candidate* must file weekly supplemental statements (for most candidates, SEEC Form 30) with the Commission, beginning a few weeks before the primary or election, as the case may be. See the Reporting Schedule below.

Note that candidate committees that complete the weekly supplemental statements are not required to file the required the "seventh day preceding" primary or election filings.

Each weekly supplemental statement must include all financial activity of the candidate committee beginning the first day not covered by the prior disclosure statement and ending as of 11:59 p.m. of the second day immediately preceding the required filing day – in other words, before midnight on the Tuesday just preceding the Thursday filing deadline.

If filing via eCRIS, select the appropriate "Weekly Supplemental" Report Type for the "Primary" or "Election". If permitted to file by paper, in section 9 of the SEEC Form 30 summary page, the treasurer should check the box for "Weekly Supplemental Statement" and check the corresponding box for "Primary" or "Election," whichever is applicable.

Nonparticipating candidates who are eligible to file an unitemized disclosure statement, SEEC Form 21 ("Short Form Campaign Finance Disclosure Statement"), may continue to file SEEC Form 21 to comply with the supplemental filing requirements. When filing SEEC Form 21, the committee treasurer certifies that the committee has not had monetary or non-monetary receipts or made or incurred expenditures in excess of $1,000 from the time of the committee's creation to the close of the relevant reporting period. If permitted to file by paper, in section 8 of SEEC Form 21, the treasurer should check the box for "Supplemental Statement" and check the corresponding box for "Election" or "Primary," whichever is applicable.

b. When to File Supplemental Disclosure Statements

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

These statements must be received by the Commission after the filing period has begun and no later than 5:00 p.m. if permitted to file by paper and delivered by hand or by the United States Postal Service, courier or parcel service (when the deadline falls on a business day) or by 11:59 p.m. on the day of the deadline if filed by eCRIS.

Due Dates for the August 14, 2018 Primary

THURSDAY FILING DEADLINE	PERIOD COVERED	NAME OF REPORT
July 19, 2018	July 1 – July 17	First Weekly Supplemental, *Primary*
July 26, 2018	July 18 – July 24	Second Weekly Supplemental, *Primary*
August 2, 2018	July 25 – July 31	Third Weekly Supplemental, *Primary*
August 9, 2018	August 1 – August 7	Final Weekly Supplemental, *Primary*

Due Dates for the November 6, 2018 General Election

THURSDAY FILING DEADLINE	PERIOD COVERED	NAME OF REPORT
October 18, 2018	October 1 – October 16	First Weekly Supplemental, *General Election*
October 25, 2018	October 17 – October 23	Second Weekly Supplemental, *General Election*
November 1, 2018	October 24 – October 30	Final Weekly Supplemental, *General Election*

General Statutes §§ 9-608(a), 9-712; Regs., Conn. State Agencies § 9-712-1]

c. Penalties for Failing to Timely File Supplemental Statements

If a treasurer fails to timely file a supplemental statement, he shall be subject to a fine of up to $1,000 for his first failure and up to $5,000 for any subsequent failure.

Please note that the Commission's standard late filing process of assessing a $100 late fee and no further action if the filing is received within 21 days of notice of the failure to file does not apply to supplemental statements and treasurers may face substantially higher penalties in the event that they are late or fail to file supplemental statements.

[General Statutes § 9-712]

E. What Information Must be Reported?

All monetary receipts, whether or not such receipts constitute contributions, must be reported in the period received, as well as all non-monetary receipts (i.e. in-kind contributions and in-kind donations not considered contributions). All expenditures made or obligated to be made or incurred by the committee must also be reported on the financial disclosure statements. How to report these kinds of receipts and expenditures is more fully outlined below.

[General Statutes § 9-608(c)]

1. Reporting Receipts

a. Contributions from Individuals

Monetary contributions received from an individual that are $50 or less in the aggregate during the life of the committee do not need to be itemized and can be entered in Section A, "Total Contributions From Small Contributors – This Period Only." Note, however, that the treasurer must still keep an **internal record** of the contributor's name, address and the amount of the contribution so that the contribution can be aggregated with any other contributions that the individual has made or will make. To assist with recordkeeping and compliance with the required aggregation (which eCRIS will do automatically), the treasurer may also choose to itemize contributions that are $50 or less in Section B, "Itemized Contributions from Individuals."

All monetary contributions in excess of $50 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 K of SEEC Form 30, regardless of amount.

[General Statutes § 9-608(c)(1) and (4)]

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, the name of the contributor's employer (if any), and whether the contributor is a communicator lobbyist or the spouse or dependent child of a communicator lobbyist or a state contractor, prospective state contractor, or principal of a state contractor. Moreover, the individual must also provide with the contribution a certification that he or she is not prohibited from making a contribution to such committee.

[General Statutes § 9-608(c)(1) and (3)]

For individuals who contribute to the committee in excess of $100 in the aggregate, the treasurer must also obtain their principal occupation, to the extent known.

[General Statutes § 9-608(c)(1)]

If a committee treasurer receives a contribution over $50, or from an individual whose contribution amount exceeds $50 in the aggregate that does not include the proper certification, the treasurer shall: (A) not later than three business days after receiving the contribution, send the contributor a request for the certification by certified mail, return receipt requested; (B) not deposit the contribution until the certification is received; and (C) return the contribution to the contributor if the contributor does not submit the certification not later than fourteen days after the treasurer's written request or at the end of the reporting period in which the contribution was received, whichever is later.

[General Statutes § 9-608(c)(3)]

As previously noted, the Commission has provided sample Individual Contributor Certification Forms, available on its website. The Commission **strongly** recommends that the treasurer request this information from **all** contributors, whatever the amount given,

because such information becomes **necessary** as contributions are aggregated and in the event a given contribution turns out to be impermissible, if a treasurer has obtained a certification form with the information requested within the sample form, the certifications provide the treasurer with a good faith reliance defense. Note that the law does not require a treasurer to obtain and keep more than one certification form from each contributor unless the information certified to by the contributor (except the amount contributed) changes. However, the Commission still recommends that a new one is obtained every time a contributor gives funds.

[General Statutes § 9-608(c)(3)]

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 generally 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. One or both of the account holders may also submit a signed statement (e.g. a certification form) indicating how the check should be allocated differently (i.e. non-equally) between them or to one of them only, and the contribution should be allocated in accordance with that statement.

EXAMPLE: John and Jane Doe have a joint bank account. John signs a $1,000 contribution check to the committee. On contribution forms signed by John and Jane, they each indicate that they would like $250 of the contribution to be from Jane and $750 of the contribution to be from John. The committee should report a $250 contribution from Jane and a $750 contribution from John in Section B of SEEC Form 30.

[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. Loans

All loans are reported in Section D, "Loans Received," of SEEC Form 30 regardless of whether they are considered contributions. The treasurer must report the name and address of any bank or other lender (including the candidate) 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 the SEEC Form 30. All loans, including those from the candidate, must be documented by a written loan agreement.

[General Statutes § 9-608(c)(1)(E)]

c. Personal Funds

Any funds provided by a nonparticipating candidate to his or her candidate committee for which no repayment is expected must be reported in Section E as "Personal Funds of the Candidate." These funds are not subject to limits. Any loan by the candidate must be reported in Section D as "Loans Received." Once a candidate provides personal funds to the campaign, the committee cannot later recharacterize the provision as a loan and return the money to him.

Important Note: A candidate's contribution or loan to his or her **exploratory committee** is subject to the contribution limit ($250 or $375) applicable to all other individual contributors. Only a candidate who has established a candidate committee may give or loan an unlimited amount of personal funds to the committee.

Because the treasurer is responsible for accurate and up-to-date reporting, it is imperative that the candidate timely reports to the treasurer all provisions of personal funds.

d. Prior Campaign Materials

If a nonparticipating candidate would like to reuse prior 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 at the time they are used in the campaign. If the candidate chooses to do this, the candidate committee should value such items at the *original purchase price* and the treasurer must report that value in Section O, "Campaign Expenses Paid by Candidate" of the SEEC Form 30, indicating the date of payment as the date the candidate provided the materials to the campaign and that reimbursement is not sought.

e. 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 a 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**.

Note that candidate committees are no longer required to report the receipt of an organization expenditure made on their behalf by a party committee or legislative leadership or caucus committee. Rather, the Commission will list all such organization expenditures on its website.

[General Statutes § 9-608(c)(6)]

f. Monetary Receipts Not Considered Contributions

All other monetary receipts that are not contributions must be disclosed (although certain receipts need not be itemized, as discussed above). Examples include interest posted or received from deposits in authorized investment accounts (reported as "Interest from Deposits in Authorized Accounts," Section G); bank credits or refunds (reported as "Miscellaneous Monetary Receipts not Considered Contributions," Section

I); and certain other monetary receipts from fundraisers (i.e. purchases of goods by attendees, reported in Section J1).

2. Reporting Events

The treasurer is required to disclose receipts of a fundraising event whether or not such receipt constitutes a contribution to the committee. Each fundraising affair or other committee-sponsored event, such as a meet and greet, including the date, location, and a description, is required to be reported in Section J1, "Event Information," of Part II of SEEC Form 30. The treasurer is required to answer several questions regarding the event in Section J1, which guide the treasurer to other sections to complete, as applicable. Each event must be assigned a unique event number by the treasurer for reporting purposes, which eCRIS does automatically. See, instructions to SEEC Form 30.

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 30). 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. The purchase of fundraising event tickets are considered contributions, and therefore must be reported in Section A or B depending on the amount purchased by the contributor and the amount of other contributions by the same contributor.

Each non-monetary receipt which is a contribution must be itemized as an in-kind contribution in Section K of SEEC Form 30. Again, the treasurer must identify the fundraising event listed in J1 at which the given in-kind contribution was received.

The non-monetary donations received in connection with the fundraising event that do not constitute contributions (i.e. donations of items of personal property valued at $100 or less) must general be disclosed in Part II entitled "Fundraising Event Activity," Section J3 of the SEEC Form 30. Such itemization must include the name and address of each 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 B. Donations made under the house party provision are reported in Section J4, "In-Kind Donations Not Considered Contributions Associated with a House Party," of SEEC Form 30.

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 30, as more fully outlined below. The treasurer cannot merely disclose the net proceeds of the event.

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

3. Reporting Expenditures

Expenditures are reported in Section N, "Expenses Paid by Committee," of the SEEC Form 30. 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 30 Instructions);
- If the expenditure was shared with other candidate(s), the "candidate(s) supported or opposed" and whether the expenditure is "coordinated" with reimbursement sought from that committee; 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 (listed in section J1).

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

a. Loan Repayments

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

b. Expenses Paid by the Candidate

Expenses paid directly by the candidate from his or her own personal funds must be itemized in Section O of SEEC Form 30, 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 exceeding $50 for which the candidate does not wish to be reimbursed must be reported (except expenditures made for his own telephone calls, travel, and meals for which he does not seek reimbursement). Reimbursements to the candidate are also reported in Section N, "Expenses Paid by Committee."

c. Reimbursements to Committees Workers and Candidates

Reimbursements to workers or the candidate are reported in **two** sections of SEEC Form 30. 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 who transacted with the committee worker or candidate). Such reimbursements are reported in Section N, using "**RMB**" as the expenditure code. In a separate section of SEEC Form 30, Section R, "Itemization of Reimbursements and Secondary Payees," the treasurer must itemize what the worker was reimbursed for (the name of the vendor(s) the worker paid). 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.**

[General Statutes §§ 9-607(j), 9-608(c)(1)]

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

d. Payments to Consultants

If the committee pays a consultant to provide services, the treasurer must report the payment in Section N. If the consultant pays other vendors (secondary payees) for committee-related expenses, such expenses must also be reported in Section R, "Itemization of Reimbursements and Secondary Payees." Secondary payees are those vendors who received a payment from the consultant for goods or services purchased by the consultant on behalf of the committee.

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

e. Expenses Incurred but Not Paid

Each expense incurred but not yet paid must also be separately itemized in the same manner as expenditures paid, including the disclosure of any secondary payees, in Section Q, "Expenses Incurred by Committee but Not Paid During this Period." The obligation to report expenses incurred arises when the committee has received the goods or services, or enters into a written contract, promise or agreement to make an expenditure. For example, if a candidate committee purchases mailers that it distributes in June but is not billed for them until August, the committee would report the expense in Section Q of its July 10th filing. If a committee credit card was used to pay an expense, the expense would get reported in Section P, "Expenses Incurred on Committee Credit Card."

[General Statutes §§ 9-601b(c), 9-607(j), 9-608(c); Regulations of Conn. State Agencies § 9-607-1]

F. Copies of Disclosure Statements

The treasurer must provide the candidate with a duplicate copy of the disclosure statement at the time of filing.

[General Statutes § 9-608(d)]

G. Public Records

The registration and disclosure statements filed on behalf of candidate and exploratory committees for statewide office and General Assembly are available for public inspection at the Commission's offices. These statements are required to be kept by the filing repository for five years from the date of filing. They are also available to be viewed at any time via eCRIS Search on the Commission's website.

[General Statutes § 9-608(c)(7)]

VIII. TERMINATION OF THE COMMITTEE: DISTRIBUTION OF SURPLUS AND ELIMINATION OF DEFICIT

A. Exploratory Committees

1. Triggering Events Requiring Dissolution

There are several triggering events that necessitate the dissolution of an exploratory committee:

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

Important Note: For more information on what constitutes a public declaration, please see Declaratory Ruling 2009-01: "Public Declarations by Candidates in an Exploratory Committee," available at the Commission's website, www.ct.gov/seec.

Within 15 days of any of the triggering events listed above, the candidate must file an Exploratory Committee Notice of Intent to Dissolve (SEEC Form 5) with the Commission. After the triggering event, the candidate must form a candidate committee within 10 days of making an expenditure or receiving a contribution, or within 15 days from filing the SEEC Form 5, whichever is earlier. The exploratory committee must also distribute its surplus and file a termination SEEC Form 30 within 15 days of filing the SEEC Form 5. **This filing terminates the exploratory committee and should disclose the exploratory committee's distribution of surplus, if applicable.**

In order to facilitate a smooth transition from exploratory committee to candidate committee, the Commission recommends that the candidate open up a depository account and form a candidate committee **as soon as possible** after the triggering event. This allows the campaign to continue without interruption, provides a place to deposit the surplus and any other newly arrived contributions, and helps to avoid running afoul of the statutory deadlines. After the candidate committee account is opened, the exploratory committee treasurer should distribute the exploratory committee's surplus to the candidate committee as soon as possible and file the committee's termination statement (SEEC Form 30) at the same time as the Exploratory Committee Notice of Intent to Dissolve (SEEC Form 5) is filed, i.e. within 15 days of the triggering event.

Important Note: The twenty-day rule for treasurers to deposit contributions still applies. Contributions made *after* the triggering event should *not* be deposited in the exploratory committee's depository account, but instead should be deposited in the newly formed candidate committee 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 30.

2. Checklist for Dissolving the Exploratory Committee

For the Candidate:

- ❑ Notify the treasurer when you are ready to dissolve the exploratory committee.
- ❑ Complete and sign SEEC Form 5, *Exploratory Committee Notice of Intent to Dissolve*.
- ❑ File SEEC Form 5 with the State Elections Enforcement Commission, Campaign Disclosure and Audit Unit, Third Floor, 20 Trinity Street, Hartford, CT 06106, no later than 15 days of an event triggering dissolution.

For the Exploratory Committee Treasurer:

- ❑ Complete, sign, and file SEEC Form 30, *Itemized Campaign Finance Disclosure Statement for Candidates for Statewide Offices and General Assembly within 7 days of surplus distribution,* **and in no case later than 30 days after the triggering event that necessitated the dissolution of the exploratory committee.**
- ❑ Select Non-Standard Report and then Termination for Type of Report on the eCRIS Reporting Home page, if filing electronically via eCRIS; or
- ❑ If permitted to file by paper, mark the TERMINATION box in Section 9 of the cover summary page of the SEEC Form 30, if filing by paper.

Period Covered

- ❑ Report all activity of the exploratory committee beginning with the last day not covered by the previous exploratory committee (SEEC Form 30) through the day before it is filed with the Commission; OR
- ❑ If the committee raised and/or spent less than $1,000 in prior filing periods and previously filed *Short Form Campaign Disclosure Statement(s)* (SEEC Form 21), report all activity from the date of exploratory committee's first contribution received or expenditure made through the day before the report is filed with the Commission.
- ❑ The period should close on 11:59 p.m. of the day before you are submitting the statement. If filing via eCRIS, the closing date of the period cannot be the same day that you submit the report electronically. If hand-delivering the SEEC Form 30 (if permitted to file by paper), the closing date of the period cannot be the same as the day you hand-deliver the disclosure statement.

Exploratory Committee Depository

- ❑ Keep the exploratory committee depository open until all committee checks written, including the surplus distribution check(s), have been presented and honored by the bank.
- ❑ Do not make any expenditures for the candidate committee from the exploratory committee depository, except to distribute surplus.
- ❑ Do not deposit any contributions made after the triggering event into the exploratory committee depository. Either deposit any new checks into the newly formed candidate committee depository account or return them, if appropriate, to the contributor.

Recordkeeping

- ❑ Obtain and keep copies of documentation for all exploratory committee transactions.
- ❑ The treasurer (or candidate, if so desired) must keep the committee records* for FOUR YEARS from the date of the termination filing.

**See* Treasurer's Best Practices Checklist: Records Treasurers Must Obtain, Copy and Keep, available at the Commission's website, www.ct.gov/seec.

3. Checklist for Forming the Candidate Committee

For the Candidate:

- ❑ Promptly designate a campaign treasurer and committee depository for the candidate committee.
- ❑ Designating a deputy treasurer is also **highly** recommended.
- ❑ Obtain the signature of the designated treasurer and deputy treasurer on the certifications on SEEC Form 1/1A, Registration by Candidate.
- ❑ Register the candidate committee by filing SEEC Form 1/1A with the Commission within 10 days of soliciting or receiving contributions or making an expenditure, and in any event, no later than 30 days after the triggering event that necessitated the dissolution of the exploratory committee (if applicable).

For the Candidate Committee Treasurer:

- ❑ Open the candidate committee depository account **as soon as possible**. The account may be with the same institution where the exploratory committee maintained an account, but the candidate committee must open a *new* account.
- ❑ Obtain surplus distribution check(s) and contribution documentation from the exploratory treasurer.
- ❑ Within 20 days of your receipt, deposit surplus distribution check(s) into the candidate committee depository. The same rule applies to any other post-trigger contributions.

- ❑ Report the receipt of surplus funds from the exploratory committee in Section C2, "Reimbursements or Payments from other Committees," in the candidate committee's first itemized campaign finance disclosure, SEEC Form 30.

4. Exploratory Committee Surplus and Deficit

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 "Expenditures" section (Section N) on the exploratory committee's termination statement and listed as surplus distribution from another committee (Section C2) on the recipient candidate committee's initial SEEC Form 30. In the event that the exploratory committee has a deficit, the outstanding liabilities must be carried forward to the candidate committee's initial statement "Outstanding Expenses Incurred but Still Unpaid" (Section Q). If the candidate intends to participate in the CEP, there are special requirements that apply. (See, Understanding Connecticut Campaign Finance Laws: A Guide for 2018 Statewide Office and General Assembly Candidates Participating in the Citizens' Election Program.)

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 to one or more of the following:

1. An ongoing political committee (so long as such political committee has not been established to finance future political campaigns of the candidate);

Important Note: The Commission has concluded that a political committee is deemed to have been established to finance future political campaigns of a candidate where 26% or more of the committee's expenditures go to the candidate's future campaigns.

2. A party committee (no strings attached or earmarking for later use);
3. A tax exempt, tax deductible organization under Section 501(c)(3) or a veterans organization under Section 501(c)(19) of the Internal Revenue Code;

Important Note: A committee is responsible for determining whether a group is a 501(c)(3) or 501(c)(19) organization prior to distributing any surplus funds to said group. The IRS maintains a database of 501(c)(3) organizations at http://www.irs.gov.

4. All contributors on a pro-rata basis based upon the relationship of the aggregate contribution from a particular contributor to the total of all contributions received by the committee from all contributors; or
5. The Citizens' Election Fund.

If a candidate decides not to seek nomination or election to any office and the exploratory committee has a deficit, the treasurer must file a deficit statement (SEEC Form 30) with the Commission within 30 days of the candidate's decision not to seek election to any office. This deficit statement shall include all contributions received and expenditures made from the date of the last filed statement completed as of seven days before the filing of the deficit statement and shall include the amount of the deficit.

As in the case of a candidate committee, the exploratory committee must remain in existence until the deficit is eliminated. The treasurer is required to file an additional

statement on the 7th day of any succeeding month when there is an increase or decrease in the deficit that is greater than $500 from the last disclosure statement.

[General Statutes § 9-608(f)]

B. Candidate Committees

If, after the election or an unsuccessful primary, there is a surplus or deficit in the candidate committee's account, the committee must remain in existence to distribute its surplus, or eliminate its deficit, whichever is applicable. A committee which spent to zero and has neither a surplus nor deficit must file a termination statement within seven days and by no later than the deadline described below.

1. Timing of Termination

A candidate committee of a candidate in a special election or an unsuccessful primary must **distribute its surplus** within 90 days of the special election or primary, or, if notified of a post-election review by the Commission, within 120 days of the special election or primary date, and file a termination statement within seven days of distributing its surplus. In the case of the November election (including a candidate committee of a candidate successful in the primary), a candidate committee not notified of a post-election review by the Commission must distribute its surplus by March 31st and file a termination statement by April 7th, or if notified of a post-election review, distribute its surplus by June 30th and file a termination statement by July 7th. If any such filing deadline date falls on a Saturday, Sunday or legal holiday, the filing is due on the next business day. Regardless of the termination deadline, each committee **must file its termination statement within seven days of its surplus distribution** (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).

A committee can terminate any time between the end of the primary/election and these deadlines. However, a candidate committee cannot terminate until it has:

1. paid all expenses previously incurred but not yet paid;
2. sold or donated equipment and furniture purchased by the committee valued at greater than $50 (as described later in this chapter), and, if sold, reported the sale price in Section I, "Miscellaneous Monetary Receipts not Considered Contributions," of the SEEC Form 30; and
3. distributed surplus funds (if any) to a 501(c)(3) charitable organization or to a 501(c)(19) veterans organization or to the Citizens' Election Fund (as described below); or
4. eliminated deficit (if any) according to the law.

Important Note: Prior to terminating, campaigns should make copies of all internal documentation in case they are audited.

The treasurer must file a termination report using SEEC Form 30, indicating all of the committee's winding-up expenditures. The ending balance on the summary totals section of the termination statement should show a zero balance.

[General Statutes § 9-608]

2. Surplus

A nonparticipating candidate's committee must distribute all surplus money to a 501(c)(3) or 501(c)(19) charitable organization or to the Citizens' Election Fund, the distribution of which should be reported in Section N of their final SEEC Form 30 termination statement. All surplus furniture and equipment valued at $50 or more must be donated to a charitable organization or sold at fair market value (see "Sale of Committee Furniture and Equipment," below), and, if sold, the proceeds from the sale become part of the committee's surplus distribution.

Important Note: A committee is responsible for determining whether a group is a 501(c)(3) or 501(c)(19) organization prior to distributing any surplus funds to said group. The IRS maintains a database of 501(c)(3) organizations.

If a candidate **withdraws** prior to a primary or election, the surplus may not be distributed **prior** to the primary or election, except to (a) a 501(c)(3) charitable organization or to (b) all contributors to the committee on a pro-rata basis of contribution. The committee of a candidate who withdraws prior to a primary and has distributed surplus and disclosed that distribution on its 30 day post primary statement and also designates this statement as a termination statement shall not be required to file any subsequent statements.

A candidate committee treasurer whose candidate is elected may, with the approval of the candidate, expend the committee's surplus during the 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 reasonable expenditures for inaugural activities and a "thank you" party for campaign workers

Surplus funds may also be used to comply with any audit conducted by the State Elections Enforcement Commission.

[General Statutes §§ 9-607(g)(2)(v), 9-608]

3. Deficit

In the event of any 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 on February 7th 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 7th day of any succeeding month when there is an increase or decrease in the deficit that is greater than $500 from the last filed disclosure statement. The filing deadline for such a supplemental deficit statement is on the 7th day of the next succeeding month.

A final termination statement must be filed on the 7th day of the next succeeding month following elimination of the deficit, and this is true even where the deficit amount is less than $500.

[General Statutes § 9-608(e)(4)]

A candidate committee may, after the election, raise funds only to eliminate its deficit. In addition to the "paid for by" and "approved by" attributions, any solicitation by written communication for contributions to pay down a deficit must include a statement that the funds sought are to eliminate a deficit.

[General Statutes § 9-621(e)]

Important Note: An in-kind contribution is the donation of goods, services or anything of value given free of charge or at less than the usual and customary charge to the recipient committee. Thus, commercial vendors, who may not as business entities make contributions to a campaign, are expected to take normal and reasonable steps to collect the debt and, concomitantly, the committee treasurer must make reasonably necessary efforts to eliminate the deficit. If such action is not taken, the Commission can conclude that the committee has accepted an illegal business entity contribution.

4. Disposition of Furniture, Equipment, and Other Assets

Committees of nonparticipating candidates may distribute their surplus equipment directly to a 501(c)(3) charitable organization or 501(c)(19) veterans organization. Otherwise, all furniture, equipment, computers, and other capital assets valued at $50 or more acquired during the campaign must be sold as part of the wind up of the committee's affairs at fair market value and the monies received must be distributed as part of the committee's surplus distribution as previously discussed (i.e. to a charitable organization or to the Citizens' Election Fund). Committees should make sure to distribute goods at fair market value. They can look to the marketplace (by contacting vendors and/or looking to the Internet) to determine the current average cost of the item. The law permits sale of these items to **any person,** which includes sale to individuals (including the candidates), committees, corporations, partnerships, organizations, or associations.

The candidate committee should keep an internal record of how fair market value was determined as well as a receipt for the sale. The proceeds from the sale of these items are reported in Section I, "Miscellaneous Monetary Receipts not Considered Contributions," of SEEC Form 30. In the "Description" field, the treasurer should provide a brief description of each item sold as well as the original purchase date.

Prior campaign assets such as lawn signs and campaign paraphernalia are not considered equipment and may be stored for use in future elections. As a general rule a committee does not need to sell items that have a fair market value of less than $50.

[General Statutes § 9-608; Advisory Opinion 2008-08]

5. Disposition of Computers and Other Electronic Equipment

The computer or other electronic equipment may be sold to any buyer for fair market value. The proceeds of this sale must be used to pay off the debts of the campaign or as part of a surplus distribution. If the committee is indebted to the candidate, the

computer or equipment may be transferred to the candidate to satisfy any or all of the debt.

In the alternative, the computer may be distributed as non-cash surplus along with any other purchased equipment and surplus funds to any eligible recipient, as outlined above.

The treasurer must complete Section S of SEEC Form 30, "Surplus Distribution of Equipment and Furniture" for distribution of surplus equipment and furniture (computers, furniture, etc.) to permissible recipients as part of the winding up of the committee prior to termination. Enter the name and address of the recipient as well as a brief description of the item donated. In addition, enter the original purchase amount paid by the committee.

A leased computer or other type of electronic equipment must be returned and the lease discontinued.

A loaned computer or other type of electronic equipment must be returned as well.

In each case above, the committee treasurer must retain copies of the committee records entered on the computer, whether by disk, flash drive or other storage medium, to satisfy the requirement that internal records of the committee be retained for a period of four years.

[General Statutes §§ 9-606(g), 9-607(f)]

Remember: If a committee sells surplus items after the election at fair market value, the sales proceeds are to be entered in Section I, "Miscellaneous Monetary Receipts not Considered Contributions."

IX. GENERAL PROHIBITIONS AND PENALTIES

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 person to influence any 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 other valuable consideration received 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. This section is violated when the true or original source of funds is obscured, for example, when someone 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. Any person who knowingly and willingly violates the campaign finance laws shall be guilty of a Class D felony.

[General Statutes §§ 9-7b(a)(2), 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 any committee, unless the committee has been registered with the Commission. A ten-day grace period applies from the committee's formation unless it is formed within ten days of an election.

[General Statutes §§ 9-602, 9-605]

Similarly, no person may solicit or accept funds or other resources, or expend funds, on behalf of a 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, make or receive excessive contributions or payments which are otherwise prohibited by the provisions of Connecticut's campaign finance laws, Chapter 155 of the General Statutes.

[General Statutes § 9-622(10)]

E. Prohibition of 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. 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)]

X. COMPLAINTS

A. Who May Bring a Complaint?

Any individual may bring a complaint to the Commission requesting that an investigation be made into any alleged violation of the state election or campaign finance laws.

The Commission may, on its own initiative, also decide to conduct an investigation on any possible violation of the state election or campaign finance laws.

[General Statutes § 9-7b]

B. Form of Complaint

All complaints filed with the Commission must be in writing and sworn to under oath by the complainant.

A pre-printed complaint form, which is available at both the Commission's offices and on its website (www.ct.gov/seec), may be used to file complaints. A complaint may also be filed in letter form provided that it is sworn to under oath.

Complaints must be submitted with an original signature of the complainant. No copies or facsimiles will be accepted.

C. Content of Complaint

Complaints should include the following:

1. The legal name, address, and telephone number of the person filing the complaint.
2. A clear and concise statement of the facts including:
    a. The date of the alleged violation(s);
    b. The identity of the person(s) alleged to have committed the violation(s);
    c. The identity of any person(s) who may have knowledge of the facts asserted in the complaint; and
3. 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: Enforcement Unit
20 Trinity Street – 1st Floor
Hartford, CT 06106

XI. CONCLUSION

This Guide is intended to clarify and summarize the most important provisions relating to Connecticut's campaign financing requirements relevant to nonparticipating candidates seeking nomination or election to statewide office or the General Assembly.

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, 3rdFloor
Hartford, Connecticut 06106-1628

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

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 and also by contacting the Commission by phone, email or mail.

APPENDIX – GLOSSARY

Affidavit of Intent to Abide by Expenditure Limits: The document (SEEC Form CEP 10) required from each participating candidate before the candidate can apply for or receive a Citizens' Election Program grant and reflecting the candidate's intent to follow the Program's requirements, including fundraising and expenditure limits. The candidate must file the affidavit by the applicable deadline – 40 days before a regular election and 25 days before a primary or special election. General Statutes § 9-703.

Affidavit of Intent Not to Abide by Expenditure Limits: The document (SEEC Form CEP 11) required from each candidate who decides not to participate in the Citizens' Election Program ("nonparticipating candidate") and reflecting the candidate's intention not to abide by the Program's expenditure limits. The affidavit must be filed with the Commission by the applicable deadline – 40 days before a regular election and 25 days before a primary or special election. Candidates claiming an exemption from forming a candidate committee (1B filers) are not required to file an affidavit of intent not to participate (SEEC Form CEP 11) and are deemed nonparticipating candidates. General Statutes § 9-703.

Anonymous Contributions: 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 treasurer may not accept any anonymous contribution, 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. General Statutes § 9-606(b).

Bundle: The forwarding of five or more contributions to a single committee by a communicator lobbyist, an agent of such lobbyist, or a member of the immediate family of such lobbyist, or raising contributions for a committee at a fundraising affair held by, sponsored by, or hosted by a communicator lobbyist or an agent of such lobbyist, or a member of the immediate family of such lobbyist. A communicator lobbyist may not bundle on behalf of a statewide office or General Assembly candidate committee. General Statutes § 9-601(27).

Business Entity: A business entity includes a 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. It does not include a solely owned professional service corporation or a sole proprietorship, which are considered individuals. General Statutes § 9-601(8) and (9).

Candidate: An individual who seeks nomination for election or election to public office even if the campaign proves unsuccessful. Individuals qualify as candidates if they have (A) been endorsed by a party or become eligible for a position on the ballot at

an election or primary, or (B) solicited or received contributions, made expenditures, or consented to any other person soliciting or receiving contributions or making expenditures so that the individual can win nomination or election to any office. General Statutes § 9-601(11). An individual must register within ten days of becoming a candidate. General Statutes § 9-604(a).

Candidate Committee: Any committee designated by a single candidate, or established with the consent, authorization, or cooperation of a candidate, for the purpose of participating in a single primary or election and to aid or promote such candidate's candidacy alone for a particular public office. Candidate committees are distinct from political committees or party committees. A candidate can form only **one** candidate committee for a particular office for a particular election. General Statutes § 9-601(4).

Candidate Services Liaison: A staff member of the Commission who assists candidates, treasurers, and candidate committees in understanding and complying with the pertinent statutes and regulations. Candidate Services Liaisons will be assigned to all statewide office and General Assembly candidates and will be available to answer questions, listen to suggestions and provide support.

Caucus: A meeting at a designated hour and place of the enrolled members of a political party within a municipality or political subdivision thereof held to select party-endorsed candidates for a party primary or to transact other business of such party. General Statutes § 9-372(1).

Citizens' Election Fund: The non-lapsing account within the State of Connecticut's General Fund that serves as the funding source for the Citizens' Election Program. Assets in the Citizens' Election Fund result from the sale of abandoned property that has reverted to the State, voluntary contributions, and distribution of committee surplus funds. General Statutes § 9-701.

Citizens' Election Program (the "Program"): Connecticut's publicly–funded, campaign financing program created in 2005, which provides campaign grants to qualifying major party, minor party, and petitioning statewide office and General Assembly candidates. General Statutes § 9-702(a).

Communicator Lobbyist: An individual or entity that is or should be registered with the Office of State Ethics as a communicator lobbyist. A "communicator lobbyist" is an individual or entity who receives or agrees to receive $3,000 or more in a calendar year for lobbying. General Statutes §§ 1-91(12) & (22) (as amended by P.A. 15-15), 9-601(16) (drawing on § 1-91 to define "communicator lobbyist" for purposes of campaign finance laws). 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 to promote the success or defeat of any candidate seeking the nomination or election of any individual to office. A contribution may be monetary or non-monetary (in-kind). All contributions are counted toward the aggregate contribution limits that apply to the particular donor. General Statutes § 9-601a(a).

Convention: A meeting of delegates of a political party held to choose the candidate or endorse candidates of that party for state or district offices or to transact other business of such party. General Statutes § 9-372(2).

Depository Account: The single checking account at a depository institution designated as the sole repository for the candidate committee's moneys in accordance with the provisions of subsection (a) of section 9-604. All committee funds must be deposited into and all committee expenditures must be made from this account. The depository institution must have a physical location in Connecticut. General Statutes §§ 9-604(a), 9-700(2).

Deputy Treasurer: Appointed by the candidate (or by the chairperson of an exploratory committee), the deputy treasurer may act for the treasurer if he or she is unable to perform his or her duties for any reason. General Statutes §§ 9-601(13), 9-602(c).

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.

Employer Identification Number (EIN): Identification number assigned by the Internal Revenue Service. Most banks require the EIN when a candidate committee opens an account. For more information about obtaining an EIN, contact the IRS at (800) 829-4933.

Entity: An organization, corporation, whether for-profit or not-for-profit, cooperative association, limited partnership, professional association, limited liability company and limited liability partnership. 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. General Statutes § 9-601(19).

Expenditure: Any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, when made for the purpose promoting the success or defeat of any candidate seeking the nomination for election, or election, of any person, or to promote the success or defeat of any political party. General Statutes § 9-601(b).

Expenditure Limits: Candidates who intend to participate in the Citizens' Election Program as well as those participating in the Program agree to limit their expenditures during the pre-primary/pre-general election period, the primary campaign (if applicable) and the general election campaign. During the pre-primary/pre-general election period, candidates are limited to the sum of allowable qualifying contributions and any allowable personal funds provided by the candidate. During the subsequent primary campaign (if applicable) and general election campaign periods, the candidate is limited to qualifying contributions, personal funds, and grants from the Citizens' Election Fund. Minor party and petitioning candidates who do not receive the full initial general election grant may also raise qualifying contributions up to the amount of the full grant, and expend the additional contributions raised. General Statutes § 9-702(c).

Exploratory Committee: A committee established by a candidate for a single primary or election to determine whether to seek nomination or election to public office so that he or she can "test the waters". General Statutes § 9-601(5); *see also* Declaratory Ruling 2007-02. An exploratory committee must be tied to a specific election and only one exploratory committee may be formed per election cycle.

Fund: *See* **Citizens' Election Fund**.

General Election Campaign: The general election campaign period begins on one of two dates, depending on the nature of the candidate's nomination. In the case of a candidate nominated through a primary, the general election period commences on the day following the primary. For a candidate nominated without a primary, the general election period starts on the day following the day on which the party nominates the candidate. In any event, the general election ends on the date the treasurer files the final statement for such campaign pursuant to section 9-608. General Statutes § 9-700(7).

Independent Expenditures: Expenditure(s) 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. Such expenditures must be wholly and totally independent of the candidate, the campaign, and their agents. When independent expenditures exceed $1,000 in aggregate, they must be reported to the Commission within 24 hours, depending on its proximity to the election or primary. General Statutes § 9-601c.

Individual: The term "individual" refers to a human being, a sole proprietorship, or a professional service corporation organized under chapter 594a and owned by a single human being. General Statutes § 9-601(9).

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

Major Party: A political party or organization whose candidate for Governor in the most recent gubernatorial election received at least twenty per cent of the whole number of votes cast for all candidates for Governor in that election, or a political party having a number of enrolled members on the active registry list equal to at least twenty per cent of the total number of enrolled members of all political parties on the active registry list in the state at the time of the last gubernatorial election. General Statutes § 9-372(5).

Minor Party: A political party that is not a major party and whose candidate for the office in question received at the last-preceding regular election for such office, under the designation of that political party or organization, at least one per cent of the whole number of votes cast for all candidates for such office at such election. General Statutes § 9-372(6).

Nonparticipating Candidate: A candidate who certifies to the Commission the his intent not to abide by the expenditure limits under the Citizens' Election Program by timely filing an affidavit (SEEC Form CEP 11) stating that he will not abide by the expenditure limits. Candidates claiming an exemption from forming a candidate committee (1B filers) are deemed nonparticipating candidates and are not required to file an affidavit of intent not to participate (SEEC Form CEP 11). Participating candidates who file an Affidavit of Withdrawal (SEEC Form CEP 13) and who the Commission deems withdrawn from the Program are also nonparticipating. General Statutes § 9-703.

Organization: An organization includes any labor organization, employee organization, bargaining representative organization for teachers, local, state or national organization 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. General Statutes § 9-601(7).

Organization Expenditure: Certain expenditures made by legislative caucus or legislative leadership or party committees which are not considered contributions. Organization expenditures may only be made for limited purposes. Eligible committees making organization expenditures must be extremely cautious to ensure that their activity constitutes an actual organization expenditure; otherwise, the expenditure may be deemed a contribution. General Statutes §§ 9-601(25), 9-608(c)(5) and (6).

Participating Candidate: Upon notifying the Commission of their intent to abide by the expenditure limits under the Citizens' Election Program, candidates shall be referred to as "participating candidates," meaning they are participating in the Program and subject to the voluntary limitations, reporting requirements, and all other Program provisions applicable to participants. General Statutes § 9-703(a) and (b).

Party Committee: A party committee may be the local town committee of a political party or the state central committee but does not include any party-affiliated district, ward, or borough committees. General Statutes § 9-601(2).

Person: Particularly in relation to independent expenditures, person means an individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company or any other legal entity of any kind but does not mean the state or any political or administrative subdivision of the state. General Statutes § 9-601(10).

Personal Funds: Nonparticipating candidates may provide unlimited personal funds to their candidate committees. If the candidate committee is required to file campaign finance disclosure statements, the candidate's provision of personal funds must be reported.

Petitioning Candidate: A candidate who becomes eligible to be on a ballot by virtue of obtaining the necessary amount of signatures of qualified electors on forms prescribed by the Secretary of the State in accordance with General Statutes §§ 9-453a *et seq*.

Primary Campaign: Beginning on the day following the close of (A) a convention held pursuant to General Statutes § 9-382 for the purpose of endorsing a candidate for nomination to statewide office or to the office of state senator or state representative, or (B) a caucus, convention or town committee meeting held pursuant to General Statutes § 9-390 for the purpose of endorsing a candidate for the municipal office of state senator or state representative, whichever is applicable. The primary campaign period ends on the day of a primary held for the purpose of nominating a candidate for such office. General Statutes § 9-700(11). *See also* **General Election Campaign**.

Program: *See* **Citizens' Election Program**.

Principal of a State Contractor or Prospective State Contractor: For purposes of the contribution and solicitation ban, such individuals are identified as follows:

For business entities (including all types of businesses, regardless of its form of organization): (1) directors; (2) owners of at least 5% of business; (3) president, treasurer, executive vice president; (4) managerial or discretionary employees (those employees having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract); (5) the spouse and dependent children 18 years or older of all of the above individuals; (6) any political committee established or controlled by the business entity or by any of the above individuals.

For non-profit organizations (all types of non-profits, regardless of tax exempt status): (1) chief executive officer or, if none, officer with comparable duties; (2) managerial or discretionary employees (those employees having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract); (3) the spouse and dependent children 18 years or older of all of the above individuals; (4) any political committee established or controlled by the nonprofit organization or by any of the above individuals. General Statutes § 9-612(f).

Note that the same definitions of the term principal apply to subcontractors for purposes of the subcontractor solicitation ban.

Prospective State Contractors: For purposes of the contribution and solicitation ban, prospective state contractors include any person, business entity, or nonprofit organization that submits a bid or proposal on a state contract or request or that holds a prequalification certificate issued by the Commissioner of Administrative Services. The Commission maintains lists of prospective state contractors on its website, http://www.ct.gov/seec. Please note, these lists are not exhaustive and there may be additional prospective contractors that are not listed. General Statutes § 9-612.

Solicitor: A solicitor is any individual who is appointed by the treasurer to receive funds or resources on behalf of the committee. There are no limitations on the number of solicitors that the treasurer may appoint on behalf of the committee. Receiving funds and resources (a solicitor) is different than asking that donations be given to a committee. A candidate may serve as solicitor for his or her own campaign. Certain individuals are restricted from soliciting donations on behalf of a candidate or committee. (See Limitations on Who May Solicit Contributions in Chapter III for more information.) General Statutes §§ 9-601(14), 9-606(c), 9-622(11).

State Contract: An agreement or contract with the state, any state agency or quasi-public agency, obtained through a procurement process or otherwise, valued at $50,000 or more for a single contract, or $100,000 or more for a series of contracts in a calendar year. The contract must be for (1) the rendition of services; (2) the furnishing of any goods, material, supplies, equipment or any item of any kind; (3) the construction, alteration, or repair of any public building or public work; (4) the acquisition, sale or lease of any land or building; (5) a licensing arrangement; or (6) a grant, loan, or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense. General Statutes § 9-612(f).

State Contractors: State contractors include any person, business entity, or nonprofit organization that enters into a state contract. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee. General Statutes § 9-612(f).

State Elections Enforcement Commission (**"SEEC"** or **"Commission"**): The independent bi-partisan five member state agency in the executive branch of government which is responsible for the administration and enforcement of Connecticut's campaign finance laws and enforcement of all state election laws.

Statewide Office: Statewide office includes the offices of Governor, Lieutenant Governor, Attorney General, State Comptroller, State Treasurer, and Secretary of the State.

Subcontractor: Any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization is deemed to be a subcontractor until December 31st of the year in which the subcontract terminates. "Subcontractor" does not include (1) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (2) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service or full or part-time, and only in such person's capacity as a state or quasi-public agency employee. General Statutes § 9-612(f).

Supplemental Campaign Finance Disclosure Statements: Candidates in a race with at least one participating candidate must file weekly supplemental statements (SEEC Form 30) with the Commission beginning a few weeks before primary day (if applicable) and/or the date of the general election. Committees who file the weekly filings are not required to file the 7th day preceding primary (if applicable) and 7th day preceding election filings. See Chapter VII for more information. General Statutes § 9-712(a)(1)-(2).

Treasurer: The individual appointed by a candidate to receive and disburse funds on behalf of the candidate or committee and to comply with all campaign finance reporting and recordkeeping provisions. The treasurer must be a registered voter in the State of Connecticut. General Statutes § 9-601(12).