



Colorado
Secretary of State

Campaign and Political Finance



Welcome!

Lawn Chair Chat

November 29, 2023

The School Board / Coordinated Election is over, now what?

Note: This session is being recorded.

Colorado Campaign and Political Finance

Post-Election Activity



Colorado Secretary of State's Office

**Presented by
Campaign & Political Finance Support Team
November 29, 2023**



Colorado Secretary of State

Disclaimer

The Colorado Secretary of State's office does not provide legal advice.

Information contained in this presentation is for reference purposes only and is not a substitute for legal advice and actual knowledge of campaign finance laws and regulations.



Topics for Discussion



- What to do with leftover funds (unexpended campaign contributions)?
- Should you keep your committee open or close (terminate) it?
- How to report rollover funds?
- How long to retain records?



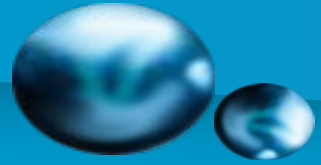
Definitions of Key Terms

- **Election cycle:**
 - **Candidate / Candidate committees:** Starts the 31st day after an election for a specific office and ends the 30th day after the next election for that office. (Note: this is not the same as a candidate's/incumbent's term of office.)
 - **Issue committees:** Based on a calendar year – January 1st through December 31st. (Campaign and Political Finance Rule 4.6)
- **Unexpended campaign contributions**
 - Funds on hand in any candidate committee at the end of an election cycle, less the amount of all unpaid monetary obligations incurred prior to the election in furtherance of such candidacy. (Article XXVIII, Section 2(15) of the Colorado Constitution)



Definitions of Key Terms

- **Campaign and Political Finance Rule 10.1 further defines Unexpended campaign contributions:**
 - **Candidate committees:**
 - funds at the end of the election cycle, **or**
 - when a candidate withdraws from the political race and intends to terminate their candidate committee.
 - **Issue committees:**
 - contributions become unexpended contributions at the end of the election cycle in which the committee supported or opposed a ballot measure, or one that attempted access to the ballot.
 - Funds do not become unexpended contributions if the issue committee supports or opposes, or intends to support or oppose, another ballot measure or measures.



Candidate Committees

Unexpended Campaign Contributions

What can a candidate committee do with their unexpended funds?

Candidate Committees (1-45-106(1)(a), C.R.S.)

Reimburse candidate for their expenditures

Note: This includes reasonable and necessary expenses for the care of children or other dependents the candidate incurs directly in connection with the candidate's campaign activities.

Retain for use in a subsequent campaign/election (subject to limitations, if applicable. See CPF Rule 2.2.4)

Contributed to a candidate committee established by the same candidate for a different public office (subject to the limitations, if applicable – see CPF Rule 2.2.4)

Contribute to the political party (subject to contribution limits – see CPF Rule 10.17)

Return to contributors

Donate to a charitable organization recognized by the IRS



Limits on Contributions to a Political Party

Contributors	Limits (are based on a calendar year)
Individual or Political Committee	\$4,675 (State, county, district, & local levels combined of which not more than \$3,875 may be given to the state party)
Candidate Committee	\$4,675 (State, county, district, & local levels combined of which not more than \$3,875 may be given to the state party)
Business Entity (Other than a corporation)	\$4,675 (State, county, district, & local levels combined of which not more than \$3,875 may be given to the state party)
Federal PAC or Federal 527 Political Organizations	\$4,675 (State, county, district, & local levels combined of which not more than \$3,875 may be given to the state party)
Small Donor Committee	\$23,600 (State, county, district, & local levels combined of which not more than \$19,650 may be given to the state party)



Candidate Committees - Continued Unexpended Campaign Contributions

What can a candidate committee do with their unexpended funds?

Candidate Committees (1-45-106(1)(b), C.R.S.) – A person elected to a public office may also use unexpended campaign contributions for:

Voter registration

Political issue education, which includes obtaining information from or providing information to the electorate

Postsecondary educational scholarships

Defraying reasonable and necessary expenses related to mailings and similar communications to constituents

Any expenses that are directly related to such person's official duties as an elected official, including, but not limited to, expenses for the purchase or lease of office equipment and supplies, room rental for public meetings, necessary travel and lodging expenses for legislative education such as seminars, conferences, and meetings on legislative issues, and telephone and pager expenses.

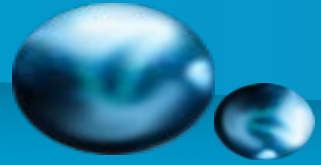


Candidate Committees - Continued Unexpended Campaign Contributions

What is a candidate committee NOT allowed do with their unexpended funds?

Use the funds for personal purposes (not reasonably related to supporting the election of the candidate)

Contribute to other candidate committees at any level (local, county, state, or federal)



Issue Committees

Unexpended Campaign Contributions

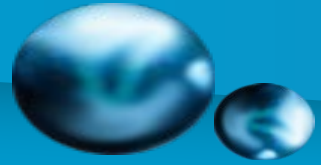
What can an Issue Committee or Small-Scale Issue Committee do with their unexpended funds?

Issue Committees (1-45-106(3), C.R.S.)

Return to contributors

Donate to a charitable organization recognized by the IRS





Other Committees

Unexpended Campaign Contributions

What about other committees and unexpended funds?

- Colorado's campaign finance laws do not define unexpended funds or permissible unexpended fund disbursement for other committee types (e.g., political parties, political and small donor committees, independent expenditure committees, etc.).
- These committees may adopt similar disbursement methods per 1-45-106, C.R.S. and return their unexpended campaign contributions to contributors or donate the remaining funds to an IRS recognized charity.

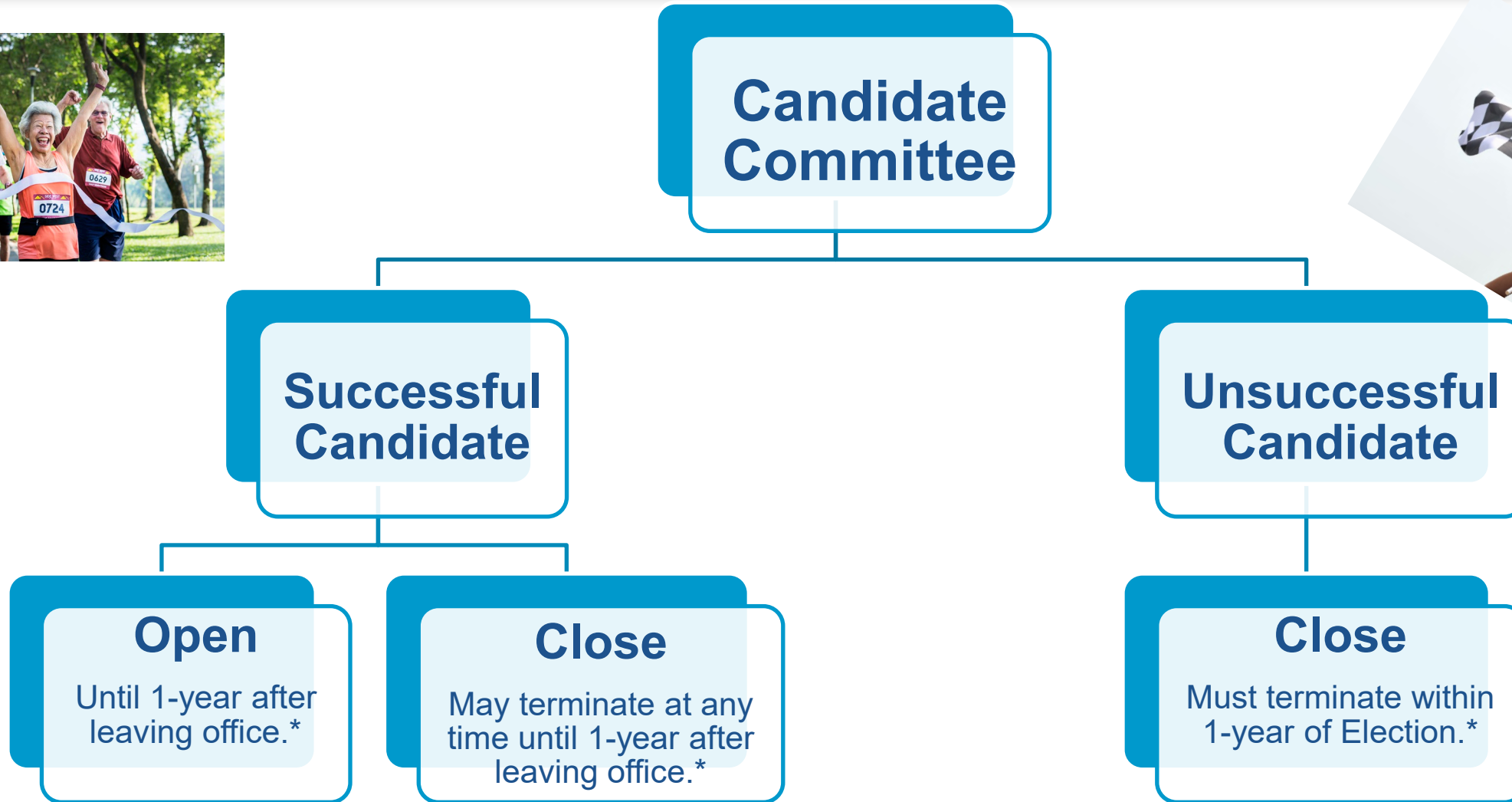
Candidate Committees

What to do? Close or Keep Open



Close (Terminate) Committee	Keep it Open
No further reporting required.	Must continue to file reports until the committee is terminated.
No future late filing penalties for failing to file a report on time.	If a report deadline is missed or filed late then \$50 per day late filing penalty is imposed.
Must register a new committee in the future if you seek election or re-election to office.	Amend the registration for changes within 10 days of the change. <i>Note: If you seek election to a different office, you'll need to close the existing committee and register a new committee for the new office sought.</i>

Successful & Unsuccessful Candidates



* Note: SB23-276 set new time frames for candidate committees to terminate.



Termination Report

A termination report closes a committee/party and may only be filed if the committee has:

- no cash or assets on hand, and
- there are no outstanding debts, penalties or obligations, and
- no pending CPF complaints or related proceedings pending before the Election Division or any court.

Note: Losing an election DOES NOT close your TRACER account(s). Only filing a termination report closes a TRACER account.

Before continuing, please indicate if you intend for this to be a Termination Report. It is required that the report have an ending monetary balance of zero (line 5).

Is this a Termination Report?
 No Yes

Committees should not terminate if there are any outstanding obligations. Does this committee have any outstanding obligations or monies owed to lenders and vendors?
 No Yes

Do you wish to terminate the candidate COUNTY CANDIDATE at this time?
 No Yes

File Report of Contributions and Expenditures

Detailed Summary			
Committee:	TEST COUNTY CANDIDATE COMMITTEE FOR COMMISSIONER 1234	Financial Institution:	TEST BANK 1234 MAIN
Type:	GRAND JUNCTION, CO 80000 Candidate Committee	Committee SOS ID:	GRAND JUNCTION CO 80000 20205037980
Candidate:	COUNTY CANDIDATE	Committee Registered Agent:	KRISTY COUNTY

Reporting Period Covered: 10/26/2020 through 11/28/2020 Report Due: 12/03/2020

This is a regularly scheduled filing.

1. Funds on Hand at Beginning of Reporting Period (monetary only)	0.00	6. Itemized Monetary Contributions	\$0.00
2. Total Monetary Contributions (Line 11)	\$0.00	7. Non-Itemized Monetary Contributions and Non-Aggregated Receipts	\$0.00
3. Total Monetary Contributions plus Beginning Amount (Lines 1 + 2)	\$0.00	8. Loans Received	\$0.00
4. Total Monetary Expenditures (Line 18)	\$0.00	9. Total of Other Receipts	\$0.00
5. Funds on Hand at End of Reporting Period (monetary only)	0.00	10. Returned Contributions	\$0.00
Combined Total of Loan Balances	0.00	11. Total Monetary Contributions (Total Lines 6-10)	\$0.00
		12. Total Non-Monetary Contributions	\$0.00
		13. Total Contributions	\$0.00

View Report Details		
View Itemized Contributions	14. Itemized Monetary Expenditures	\$0.00
View Itemized Expenditures	15. Non-Itemized Monetary Expenditures	\$0.00
View Loans	16. Loan Repayments Made	\$0.00
View Returns	17. Returned Expenditures	\$0.00
	18. Total Monetary Expenditures (Total Lines 14-17)	\$0.00
	19. Total Coordinated Non-Monetary Expenditures	\$0.00
	20. Total Expenditures	\$0.00

I declare under penalty of perjury that to the best of my knowledge or belief that all contributions or donations received during the reporting period, including contributions or donations received in the form of membership dues transferred by a membership organization, are from permissible sources.



Basic Three steps for reporting the Carryover/Rollover

Candidate committees remaining open at the end of an election cycle report its retained balance as the beginning balance in the next election cycle. This balance becomes a political party contribution to the candidate committee for the new election cycle and is subject to the applicable political party contribution limit.

The first report in the new election cycle (April 2024), needs to “zero” out it’s balance and show “new” contributions. One from the political party (up to the party limit) and then if there are any remaining funds, they are entered as unexpended funds.

Three quick steps:

1. Enter an itemized expenditure to your own committee from itself (to zero out the balance),
2. Enter an itemized contribution from the political party, and
3. If unexpended funds exist, enter them as an itemized contribution from the committee itself.

If you need help, call the Campaign Finance Support Team.

There's more? What else?



Maintenance / Retention of Records

- A committee/party must maintain their records for 180 days after the election, unless a complaint is filed then records must be maintained until final disposition of the complaint.
 - Covered Organization Affirmations must be kept for 1 year from receipt
 - LLC Affirmations must be kept for 1 year after the election

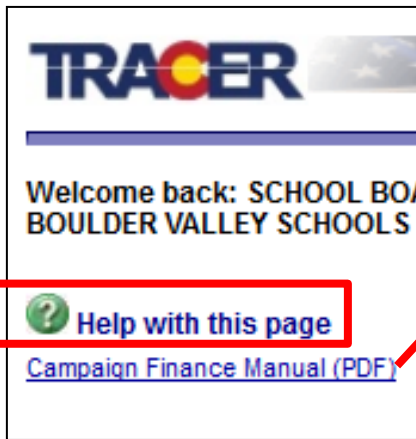
Registration changes

- Within 10 days of a change, the registration must be amended to reflect the change. This includes, but is not limited to, information about the committee's purpose, agents, addresses (physical & mailing), email addresses, etc.



TRACER Resources

- “Help with this page” link



- Help page results

Viewing a Candidate or Committee

You can access the Candidate/Committee Overview page to view the account status, transaction history, reports due, file a report that is due, add or modify a penalty or waiver, and request a waiver.

Tasks

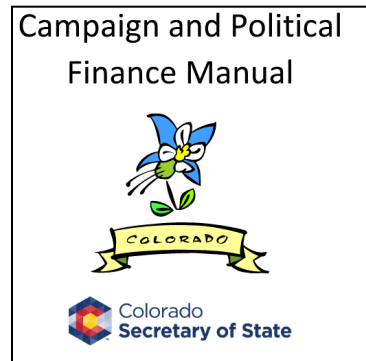
To access the Candidate/Committee Overview page:

1. Perform the steps for [Searching for a Candidate or Committee](#).

The Candidate/Committee Search Results page is displayed.

2. Click the link in the Candidate/Committee Name column of the data grid for the Candidate

- [Campaign Finance Manual](#)



- [Learn to Use TRACER webinars](#)



[Lawn Chair Chat page](#)

Lawn Chair Chats

Hosted by the campaign finance support team.

What are lawn chair chats?
These chats are informal discussions about campaign finance related topics. It's a great way to increase your knowledge or get clarification on a specific topic. If you have a topic suggestion email our campaign finance team at caffelo@scs.state.co.us.

Upcoming chat sessions

Date & time	Topic	Agenda & materials	Zoom meeting info
Wednesday, October 20, 2021 3:00 PM MST	CPF Hodgepodge - A review of recently asked/answered	Agenda (PDF)	Register in advance for this meeting

Past chat sessions

Date & time	Topic	Agenda & materials	Zoom meeting info
Wednesday, September 29, 2021 3:00 PM MST	24-hour major contributor and 48-hour independent expenditure reports	Agenda (PDF) 24-hour major contributor reports & 48-hour independent expenditure reports (PDF)	Recorded Zoom meeting (MP4)
Wednesday, September 15, 2021 3:00 PM MST	School board candidates & their candidate committees	Agenda (PDF) Presentation (PDF)	Recorded Zoom meeting (MP4)
Wednesday, August 25, 2021 3:00 PM MST	30 Minute Drop-in Open Door / Mic Session with the Colorado Campaign Finance Support Team	Agenda (PDF) Open_door/mic_session_questions (PDF)	Recorded Zoom meeting (MP4)
Wednesday, August 11, 2021 3:00 PM MST	TRACER: Public Searches, Reports and Resources	Agenda (PDF)	Recorded Zoom meeting (MP4)
Wednesday, July 28, 2021 3:00 PM MST	Disclaimer / paid for statements	Agenda (PDF) Review of the Colorado Campaign Finance Guidance on	Recorded Zoom meeting (MP4)



Additional Resources

Campaign Finance Lawn Chair Chat

<https://www.coloradosos.gov/pubs/elections/CampaignFinance/lawnChairChats.html>

State of Colorado

<http://www.colorado.gov/>

LexisNexis by Colorado Legal Resources

<http://www.lexisnexis.com/hottopics/colorado>

Colorado General Assembly

www.leg.colorado.gov

The Independent Ethics Commission

www.colorado.gov/pacific/iec

Federal Election Commission (FEC)

www.fec.gov

Internal Revenue Service (IRS)

www.irs.gov



Colorado
Secretary of State

Thank you!



**Campaign Finance Compliance
&
Guidance Support Team**

E-Mail:

CPFHelp@coloradosos.gov

Phone:

303-894-2200 (Dial 3, then 1)

