



## **Use of Unexpended Campaign Contributions**

Unexpended campaign contributions are the balance of funds a committee has on hand at the end of an election cycle. Some committees may terminate their account while others may carryover/rollover their funds to the next year and/or election cycle.

The information below is intended as guidance to committees on how to disburse of unexpended campaign contributions at the end of an election cycle.

*(Article XXVIII, Section 2(15) of the Colorado Constitution; 1-45-106, C.R.S. & CPF Rules 2.2.4; 2.2.5; 10.1; and 12)*

### **Do:**

- File a termination report at any time using the next regularly scheduled report.
- Check the “Yes” radio button when asked if the report is a termination report.
- Ensure your TRACER account has or will have a zero (\$0) funds on hand balance when the termination report is filed.

### **Don't:**

- Have any outstanding debts or obligations (including loans or late filing penalties). A committee may not terminate unless they have a zero (\$0) balance on their termination report.
- Attempt to terminate by filing an amended report – a termination report may only be filed using a regularly scheduled report.
- Assume a report filed with a zero (\$0) balance terminates the committee – a committee must answer Yes to the termination question in order to terminate.

### **Maintenance of Records:**

- A committee must maintain its records for 180 days after the election unless a complaint is filed, in which case the records must be maintained until final disposition.
- Covered Organization Affirmations must be kept for 1 year.
- LLC Affirmations must be kept for 1 year after the election.

### **Candidate Committees**

#### **Permissible Uses for Unexpended Funds (See Section 1-45-103.7(6.5), C.R.S. & 1-45-106, C.R.S.):**

- Reimburse the candidate for reasonable and necessary expenses for the care of children or other dependents directly connected with the candidate’s campaign activities during the election cycle.

- Donate remaining funds to a charitable organization recognized by the IRS.
- Return contributions to contributors.
- Contribute funds to a political party within applicable contribution limits.

Additionally, candidates elected to or re-elected to office may also choose to use Unexpended Funds 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 or similar constituent communications
- Expenses directly related to official duties for elected office

\*Note: Unexpended funds may also be “rolled over” to a candidate committee established by the same candidate for a different public office. Please refer to the companion document titled *“Frequently Asked Questions – Rollover of Candidate Committee Funds at the end of an Election Cycle”* for more information.

**Unexpended funds may not be used for:**

- Personal expenses/purposes not reasonably related to supporting the election of the candidate.
- Contributions to other candidate committees at any level (local, county, state, or federal).

**Issue Committees/Small-Scale Issue Committees:**

Issue committees wishing to disburse unexpended funds may donate the funds to a charitable organization recognized by the I.R.S. or return any remaining funds to contributors.

**Political Parties, Political Committees, Small Donor Committees, Independent Expenditure Committees, and 527 Political Organizations**

Campaign finance laws do not specifically address the issue of unexpended campaign contributions/funds related to the above-mentioned committee types. The Secretary of State’s Office recommends that these committees keep in mind the purpose of their committee and follow the statutory framework outlined for issue committees under 1-45-106, C.R. S. and either donate unexpended campaign contributions/funds to an I.R.S. recognized charity or return the funds to contributors.