

# FILING OBLIGATIONS AFTER THE ELECTION AND TERMINATING THE COMMITTEE

After the election, a candidate's future filing obligations are determined by whether he or she was elected to office or not. Generally, a committee primarily formed to support or oppose a candidate will terminate after the election. The Political Reform Act (Act) does not require any local candidate or primarily formed committee to terminate; however, campaign statements must continue to be filed as long as the committee remains open. In addition, the \$50 annual fee must be paid to the Secretary of State.

This chapter addresses the reporting requirements for successful candidates, defeated candidates, primarily formed committees, and the guidelines for terminating a campaign committee.

## A. Successful Candidates

The requirements discussed below apply to candidates/officeholders immediately following the election and for subsequent non-election years. An officeholder retains his or her status as a "candidate" under the Act and must continue to file campaign reports – either the full Form 460 or the short Form 470 – until they have left elective office and terminated their committee. See "Candidates Using Campaign Funds for a Future Election" below to determine the requirements for a candidate/officeholder running for reelection or running for election to a different office.

### Officeholders Who Filed Form 470 During Campaign

After the election, a candidate who filed the Form 470 (Officeholder and Candidate Campaign Statement – Short Form) in connection with the election has no additional filing obligations that calendar year provided \$2,000 or more is not raised or spent during that calendar year. So long as a candidate/officeholder does not have an open committee, a Form 470 must be filed by July 31 of each subsequent non-election year.

## Officeholders Who Filed Form 460 During Campaign

After the election, a successful candidate who filed the Form 460 (Recipient Committee Campaign Statement) in connection with the election must continue to file the Form 460 semi-annually as long as the committee remains open. In addition, other special reports may be required. The candidate/officeholder has the option of maintaining his or her committee and campaign bank account or terminating the campaign committee and closing the bank account. An officeholder who maintains a committee may:

- Continue to receive contributions;
- Use campaign funds to offset officeholder expenses; or
- Use funds for a future election. (See “Candidates Using Campaign Funds for a Future Election” below.)

Once an officeholder terminates the committee, he or she may be required to file the Form 470 the following year. However, if a candidate/officeholder has an open committee at any time during a calendar year, the Form 470 (short form) may not be filed instead of the Form 460.

### **Exception: Judges and Unpaid Officeholders**

Unpaid officeholders (defined in the Act as those who receive less than \$200 per month for serving in office) and judges are not required to file Form 460 or Form 470 for any semi-annual period in which they are not listed on a ballot and do not receive any contributions or make any expenditures. This exception applies even if a judge or unpaid officeholder has a controlled committee so long as the committee has not received any contributions or made any expenditures (excluding bank fees and interest).

To determine whether \$200 has been received, only the elected officeholder’s fixed compensation (i.e., salary) is counted. Payments for health benefits, reimbursement for expenses (including travel expenses), or per diem received from the officeholder’s agency need not be counted toward the \$200.

Judges and unpaid officeholders who are listed on a ballot must file the Form 470.

## Behested Payment Reports (Form 803)

An elected officer who fundraises for worthy causes in his or her community (such as for a local school, to build a new community center or restore a historic building) may have to file a “behested payments” report. Behested payments are donations made to a charity or a government agency at the request of an elected officer for a legislative, governmental or charitable purpose. These payments are not made for personal purposes (i.e., gifts) or campaign purposes (i.e., contributions).

A common example is when an elected officer co-sponsors a charitable, governmental, or legislative event, such as a job fair or a conference on public policy issues, with outside sources. Payments made by outside sources in connection with these events generally are considered behested payments.

### Form 803 Filing Procedures:

- File the Form 803 when a person donates \$5,000 or more in a calendar year to charitable organizations or events at the request of an elected officer.
- Once a source has made a behested payment(s) of \$5,000 or more during the calendar year, subsequent payments of any amount from that source during the calendar year must be reported.
- File the Form 803 with the elected officer’s agency within 30 days following the date of the payment.
- The elected officer’s agency must forward the Form 803 to the filing officer who receives the elected officer’s campaign statements within 30 days of receiving the form. The Form 803 is a public record. See the Form 803 example below.

#### Quick Tip

Although behested payments are not considered gifts or contributions to the elected official, meals, lodging, and travel payments received by an official in connection with a co-sponsored event may be reportable gifts.

**Ex 11.1** - At the mayor’s request, a catering company donated refreshments valued at \$5,000 for a city sponsored job fair. The mayor must file a Form 803 with the city clerk to report the behested payment.

## Form 803 Exceptions:

- A Form 803 is not required of a non-elected officer.
- A payment is not subject to behested payment reporting if the payment is made in response to a fundraising solicitation from a charitable organization requesting a payment where the solicitation does not “feature an elected officer,” even if the solicitation includes an elected officer’s name. A solicitation “features an elected officer” when it includes the officer’s photograph or signature, or singles out the elected officer. An elected officer is also “featured” in a solicitation if the roster or letterhead listing the governing body contains a majority of elected officers. See Regulation 18215.3 for additional information.
- A payment is not subject to behested payment reporting if the elected officer makes a request for a payment from a local, state, or federal government agency.

# Behested Payment Report

# A Public Document

Behested Payment Report

<b>1. Elected Officer or CPUC Member</b> <i>(Last name, First name)</i> Alvarez Manuel		Date Stamp	<b>California 803</b> Form For Official Use Only
<b>Agency Name</b> City of Oakmont			
<b>Agency Street Address</b> 225 Presley Street, Oakmont, CA 95443			
<b>Designated Contact Person</b> <i>(Name and title, if different)</i> Madeline Richards		<input type="checkbox"/> <b>Amendment</b> <i>(See Part 5)</i>	
<b>Area Code/Phone Number</b> 707-555-6868	<b>E-mail</b> <i>(Optional)</i> mrichards@oakmontmail.com	<b>Date of Original Filing:</b> <u>6/30/XX</u> <i>(month, day, year)</i>	

### 2. Payor Information

*(For additional payors, include an attachment with the names and addresses.)*

Wildwood Insurance Company  
Name

1022 Main Street	Oakmont	CA	95443
Address	City	State	Zip Code

### 3. Payee Information

*(For additional payees, include an attachment with the names and addresses.)*

Boys and Girls Club of California  
Name

555 10th Street	Sacramento	CA	95814
Address	City	State	Zip Code

### 4. Payment Information

*(Complete all information.)*

**Date of Payment:** 6/24/XX **Amount of Payment:** *(In-Kind FMV)* \$ 5,000  
*(month, day, year)* *(Round to whole dollars.)*

**Payment Type:**  Monetary Donation **or**  In-Kind Goods or Services *(Provide description below.)*

**Brief Description of In-Kind Payment:** \_\_\_\_\_

**Purpose:** *(Check one and provide description below.)*  Legislative  Governmental  Charitable  
**Describe the legislative, governmental, charitable purpose, or event:** Charitable fundraiser to support the Boys and Girls Club.

### 5. Amendment Description and/or Comments

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### 6. Verification

I certify, under penalty of perjury under the laws of the State of California, that to the best of my knowledge, the information contained herein is true and complete.

Executed on 6/30/XX By [Signature Required]  
DATE SIGNATURE OF ELECTED OFFICER OR CPUC MEMBER

## Legal Defense Committees

The Act permits a local candidate or elected officer to establish a legal defense fund, if the candidate or officer is subject to civil, criminal or administrative proceedings arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officer's governmental duties. Contributions raised for legal defense must be held in a separate account, they may be subject to contribution limits if provided by local ordinance, and they must be fully reported. Any funds raised may only be spent to defray attorneys fees and other related legal costs, as defined in the Act. (See Regulation 18530.45 for additional information.)

A candidate or officeholder may not use any funds to pay or be reimbursed for a penalty, judgement or settlement related to a claim of sexual assault, sexual abuse or sexual harassment filed against the candidate or officeholder in any civil, criminal or administrative proceeding.

A candidate or officeholder may use legal defense committee funds for *other* legal costs and expenses related to claims of sexual assault, sexual abuse or sexual harassment, but if the candidate or officeholder is held liable, the candidate or elected officer must reimburse the legal defense fund for all funds used in connection with those other legal costs and expenses.

“Sexual assault” and “sexual abuse” have the same meaning as provided in Penal Code Section 11165.1. “Sexual Harassment” has the same meaning as found in Government Code Section 12940(j).

## Recall Elections

Under state law, an officeholder who is the subject of a recall may use an existing committee (set up for the office he or she currently holds) to receive contributions and make expenditures to oppose the qualification of the recall measure, and if the recall petition qualifies, the recall election.

An alternative option is to form a separate recall committee. A recall committee may be established once the officeholder receives a notice of intent to recall under Elections Code Section 11201. The committee must set up a separate bank account at a financial institution in California, file a Statement of Organization (Form 410), and, in addition to the officeholder's name, must include the word "recall" in the name of the committee. See Campaign Disclosure Manual 3 as a recall committee is considered a ballot measure committee. (FPPC Regulation 18531.5 contains specific guidance on recall elections.)

## **B. Defeated Candidates**

### **Form 470 Filers**

Following the election, a defeated candidate who filed the Form 470 (Officeholder and Candidate Campaign Statement – Short Form) has no further reporting obligations so long as less than \$2,000 was raised or spent during the calendar year.

### **Form 460 Filers**

Following the election, a defeated candidate must continue to file the Form 460 on a semi-annual basis and pay the annual committee fee as long as the committee remains open. In addition, other special reports may be required.

There is no deadline for terminating the committee or disposing of leftover funds; however, if there are leftover funds and the candidate wants to use the funds for a future election, the funds must be redesignated or transferred as discussed below.

## C. Candidates Using Leftover Campaign Funds for a Future Election

A local candidate or officeholder may use leftover campaign funds for a future election so long as the funds are not considered “surplus funds” and the requirements below are met. **Campaign funds become surplus on the 90th day after the closing date for the postelection reporting period or upon the 90th day after the date of leaving office, whichever occurs last.** Surplus campaign funds are subject to restrictions, as described in Chapter 5, and may not be used for a future election.

### Running for the Same Office

To use money remaining in the campaign bank account for a future election to the **same office** before the funds become surplus, a local candidate may redesignate his or her committee and campaign bank account by:

- Filing a **new Form 501 (Candidate Intention Statement)** for the specific future election; and,
- Filing an **amended Form 410 (Statement of Organization)** to reflect the redesignation for the future election.

### Running for a Different Office

To use money remaining in the campaign bank account for a future election to a different office before the funds become surplus, a local candidate must:

**Ex 11.2** - John Davis lost the city council election in November. John has \$3,500 remaining in his campaign bank account and is considering seeking another city council position in two years. In order to use the remaining \$3,500 for the future election, John must file a new Form 501 (Candidate Intention Statement) and redesignate the bank account to a future election by amending his Form 410 (Statement of Organization) to indicate the new office sought and year of election. This must be done within 90 days after the end of the postelection reporting period for the November election.

#### Quick Tip

Candidates should also check with the city or county to determine if there are local restrictions for redesignating or transferring campaign funds.



- File a **new Form 501 (Candidate Intention Statement)** for the specific future election;
- File a **new Form 410 (Statement of Organization)**; and,
- Open a **new bank account**. So long as the funds are not surplus and there are no local restrictions, the campaign funds from the other account may be transferred to the new bank account.

## D. Primarily Formed Committees

Generally, a committee established primarily to support or oppose a particular candidate(s) will terminate after the election, but the committee may remain open to:

- Raise funds to pay debts.
- Support or oppose other candidates or measures. The committee will need to amend its Statement of Organization (Form 410) to reflect the change.

A primarily formed committee must continue to file semi-annual campaign statements (i.e., Form 460 or Form 450) and pay the annual committee fee as long as the committee remains open.

## E. Terminating the Committee

There is no deadline for terminating a committee controlled by a local candidate or officeholder unless the controlling candidate/officeholder becomes a state officeholder. In that case, the candidate should refer to Campaign Disclosure Manual 1 for State Candidates for the termination requirements.

A primarily formed committee also does not have a deadline to terminate. However, the committee, by its nature, may need to change its committee status if it remains open after the election. A committee that remains open must continue to file semi-annual campaign statements (i.e., Form 460 or Form 450) and pay the annual

**Ex 11.3** - Jayna Chacon is a city council member who plans to run for county supervisor in the next election. She would like to use the remaining funds in her city council committee bank account for the county election. Jayna must file a new Form 501 before she solicits or receives contributions for the county supervisor election. She must also file a new Form 410 and open a new bank account. The city council committee campaign funds must be transferred to the county supervisor campaign bank account within 90 days after the date Jayna leaves the city council position.

**Ex 11.4** - After the election, the committee primarily formed to support candidate Jones decides to support candidate Lopez in the next election. In order to do so, the committee must file an amended Form 410 (Statement of Organization) and will continue to file campaign statements.

fee, as described in Chapter 1, until it terminates. There are specific requirements that must be met in order for a committee to terminate.

**A committee may terminate only if the committee:**

- Has ceased receiving contributions or making expenditures and does not anticipate receiving contributions or making expenditures in the future;
- Has no remaining campaign funds;
- Has filed all required campaign statements, disclosing all reportable transactions, including the disposition of leftover funds; and
- Has eliminated all debts, or has no intention or ability to discharge debts.

A committee must file a Form 410 and a final Form 460 or Form 450. On the Form 410, the “Termination” box must be checked. List the committee’s identification number and the date of termination; the date of termination generally is the date all funds have been expended. Complete Section 1 and the treasurer or assistant treasurer must sign the verification. For candidate controlled committees, the controlling officeholder(s)/candidate(s) also must sign the verification.

Form 450 or 460 also must be filed showing that all funds have been expended and the committee has no cash on hand. Check the “Termination” box on the cover page.

File the original Form 410 with the Secretary of State and a copy with the committee’s local filing officer who receives the committee’s original campaign statements. File the Form 450 or 460 in the committee’s regular filing locations.

**Ex 11.5** - At the end of November, after winning her election, Arlene decides to terminate her committee. To do so, she must file a Form 410 termination and a Form 460 termination showing that the committee has no remaining cash. On the Form 460 Cover Page, Type of Statement section, she will mark both the termination and semi-annual boxes and enter December 31 as the closing date of the statement. Unless there is additional activity, Arlene is not required to file a semi-annual statement on January 31, and may file Form 470 by July 31 of the next year.

## F. Receiving a Refund After the Committee Has Terminated

Generally, once a committee has terminated, no transactions may be made by the committee. However, a candidate controlled committee that has terminated may accept a refund from a governmental entity (such as an overpayment of filing fees) without reopening. A committee may also accept a refund from a vendor or other person without reopening if the committee did not know of its entitlement to the refund prior to termination and the refund or refunds total no more than \$10,000.

To report this type of refund, the terminated committee must file a Form 460 for the period in which the refund was received and report the refund as a miscellaneous increase to cash on Schedule I of the Form 460 and as an expenditure on Schedule E when the funds are spent. See Chapter 5 for the permissible uses of campaign funds. For the rules related to transferring the refund to another committee, see Regulation 18404.1.

**Ex 11.6** - A candidate was defeated in a November election and closed her campaign committee in December. In February of the following year, she received a \$1,500 refund from the county elections office for an overpayment of her filing fees. The candidate must disclose receipt of the refund on Schedule I of the Form 460. The refund must be used for a permissible expenditure as described in Chapter 5, such as to pay outstanding debts or to make a donation to a charity, and disclosed on Schedule E. If the candidate used personal funds to pay the filing fee, she may keep the refund without disclosing it on the Form 460.

## Answering Your Questions

### **A. Must I file the Form 470 even if I waive my \$200 per month salary as a school board member?**

Yes. The exception for unpaid officeholders (less than \$200 per month) does not apply when an officeholder waives his or her salary.

### **B. May I terminate my committee even if I have outstanding debt?**

Yes. When you file your termination statement showing outstanding debt, you are declaring that you do not have the ability to discharge debts, loans, or other obligations. However, if you plan to raise additional funds, or pay the outstanding debt with personal funds, you may not terminate.

### **C. After terminating my committee, I received a refund from the city clerk for an overpayment of my filing fees. How do I report this?**

If you used campaign funds to pay for the filing fees, you must file a Form 460 to report the refund as a miscellaneous increase to cash (on Schedule I). You must also report the expenditure of the funds on Schedule E. See Chapter 5 for the permissible uses of campaign funds.

If you used personal funds to pay for the filing fees, you may keep the refund and you are not required to report it on a campaign statement.

**D. A nonprofit group paid for a survey they conducted and published. The group is claiming that my committee owes them for part of the costs of the survey, but my position is that, since they conducted the survey without my authorization, my committee does not owe them for the survey. The group has indicated that it may seek a small claims court judgment. I would like to close my committee, but should the committee remain open until the issue is resolved?**

One of the requirements that must be met in order for a committee to terminate is for the treasurer to state, under penalty of perjury, that the committee has eliminated all debts or has declared that it has no intention or ability to discharge all of its debts, loans received, and other obligations.

If your treasurer does not want to declare that the committee has no intention or ability to discharge all of its debts, loans received, and other obligations, we recommend that the committee remain open until the issue is resolved.

## Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

### Government Code Sections

82004.5	Behested Payment.
82041.3	Made at the Behest of.
82015	Contribution.
84103	Statement of Organization; Amendment.
84200	Semi-Annual Statements.
84206	Candidates Who Receive or Spend Less than \$2,000.
84214	Termination.
84224	Behested Payment Disclosure.
85200	Statement of Intention to be a Candidate.
85201	Campaign Bank Account.
85304.5	Legal Defense Fund; Local Candidates and Elected Officeholders.
89519	Use of Surplus Campaign Funds.

### Title 2 Regulations

18215	Contribution.
18215.3	Behested Payments Reporting.
18402	Committee Names.
18404	Termination of Candidate's and Committees' Filing Requirements.
18404.1	Termination and Reopening of Committees.
18406	Short Form for Candidates or Officeholders Who Receive and Spend Less than \$2,000 in a Calendar Year.
18426	Semi-Annual Statement Early Filing.
18530.45	Legal Defense Funds – Local Candidates and Officers.
18531.5	Recall Elections.
18951	Surplus Funds.