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Frequently Asked Questions – Rollover of Candidate Committee Funds at the end of an Election Cycle

(Article XXVIII, Section 2(15) and Section 3 of the Colorado Constitution; 1-45-106 C.R.S.; Campaign and Political Finance Rules 2.2.4, 2.2.5, 10.1, and 12)

When a candidate committee reaches the end of an election cycle and decides to remain open, the committee must 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 thus subject to the applicable political party contribution limit if a limit applies. An election cycle, in most instances, ends 30 days after the election for the office sought and the new cycle starts the next day.

Campaign and Political Finance Rule 2.2.4 (included at the end of this document) allows a candidate committee to roll over funds in excess of the political party contribution limit; however, the use of those excess funds is restricted to unexpended fund activity as outlined in 1-45-106, C.R.S. The rule also requires a candidate committee, to disclose on its first regularly scheduled report in the new election cycle the amount it designated as a political party contribution (for general use in the new election cycle) and the amount designated as “Unexpended Funds”. Committees must keep an accounting of the funds they designate as Unexpended Funds and report allowable expenditures on their regularly scheduled disclosure report(s) as they draw down this balance by designating expenditures as “Unexpended Funds expenditures”. For detailed instructions on this process, please review the companion document titled “*Disclosure of Rollover Funds for a Candidate Committee*”.

FAQs:

Q1. Does this rule apply to all state, county, and municipal level candidate committees regardless of party affiliation?

A1. The rule applies to all candidate committees regardless of their party affiliation or lack thereof. Note: If a municipality is Home Rule and has its own campaign finance regulations, the local regulations override state regulations.

Q2. How much of my rollover funds must be designated as a contribution from a political party?

A2. If the amount retained does not exceed the amount the political party may contribute to your candidate committee in the next election cycle then all of the amount rolled over is counted as a contribution from a political party. Only those funds retained in excess of the political party contribution limit must be designated as unexpended campaign contributions.

Q3. Do I designate a specific political party to attribute the rollover to?

A3. No.

Q4. I'm a school board candidate or RTD, how much of my rollover is considered a contribution from a political party and how much is Unexpended Funds?

A4. The full amount of the rolled over funds is designated as a contribution from a political party because there is no limit to how much a political party may contribute to a school board or RTD candidate committee. Therefore, a school board or RTD candidate committee would not designate any of the rolled over funds as unexpended for the next election cycle.

Q5. How much of my rollover funds must be designated as Unexpended Funds?

A5. All funds retained in excess of the political party contribution limit to the candidate committee. If the candidate committee does not have a contribution limit for the political party then all of the funds rolled over are considered a contribution from a political party and not Unexpended Funds.

Q6. After designating funds as unexpended, do I have to disclose how those funds are spent? What is the time frame I have to spend the Unexpended Funds?

A6. Yes, the committee is required to report unexpended funds expenditures. Unexpended Funds must be disbursed prior to termination of the committee. For detailed instructions on reporting the use of unexpended funds, please review the companion document titled "*Disclosure of Rollover Funds for a Candidate Committee*".

Q7. If I don't designate any of the rollover funds as unexpended funds, in accordance with 1-45-106, C.R.S. and CPF Rule 2.2.4, can I still use my remaining funds for unexpended activity?

A7. Yes. There is no specific prohibition against this.

Q8. Do you have an example of how candidate committees would designate the rollover of its funds?

A8. Yes. Below is a chart showing how a candidate committee would disclose a rollover balance of \$30,000.

Office/District	Political Party Limit (within an Election Cycle)	Rollover Political Party Contribution (general use)	Unexpended Funds (only for unexpended fund activity)
State Offices			
Governor / Lt. Governor (combined)	\$679,025	\$30,000	\$0
Secretary of State	\$135,775	\$30,000	\$0
Attorney General	\$135,775	\$30,000	\$0
State Treasurer	\$135,775	\$30,000	\$0
State Senate	\$ 24,425	\$24,425	\$ 5,575
State House of Representatives	\$ 17,625	\$17,625	\$12,375
State Board of Education	\$ 17,625	\$17,625	\$12,375
CU Regent	\$ 17,625	\$17,625	\$12,375
District Attorney	\$ 17,625	\$17,625	\$12,375
Regional Transportation District	Unlimited	\$30,000	\$0

Office/District	Political Party Limit (within an Election Cycle)	Rollover Political Party Contribution (general use)	Unexpended Funds (only for unexpended fund activity)
County Offices			
Assessor	\$ 22,125	\$22,125	\$ 7,875
Clerk & Recorder	\$ 22,125	\$22,125	\$ 7,875
Commissioner	\$ 22,125	\$22,125	\$ 7,875
Coroner	\$ 22,125	\$22,125	\$ 7,875
Sheriff	\$ 22,125	\$22,125	\$ 7,875
Surveyor	\$ 22,125	\$22,125	\$ 7,875
Treasurer	\$ 22,125	\$22,125	\$ 7,875
School Board	Unlimited	\$30,000	\$0
Special District	Unlimited	\$30,000	\$0

Note: Junior College Board of Trustee candidates follow the same guidelines as school board / RTD office candidates/committees.

Campaign and Political Finance Rule 2.2.4

2.2.4 Managing unexpended campaign contributions

(a) A candidate committee must report its unexpended balance as the ending balance at the end of the election cycle. A candidate committee must report its unexpended balance from the report filed 30 days after the major election as the beginning balance in the next election cycle. The candidate committee's beginning balance must reflect what amount is retained for use in a subsequent election cycle and what amount is retained for use as unexpended funds.

(b) Candidates seeking re-election to the same office

(1) A candidate committee may retain contributions to use in a subsequent election cycle for the same public office, in an amount not to exceed the political party contribution limit in Colo. Const. Article XXVIII, Section 3(3) and section 1-45-103.7(1.5)(a)(III), C.R.S. (as adjusted by Rule 10.17).

(2) If a candidate committee retains contributions to use in a subsequent election cycle for the same office, the amount retained counts toward the limit on contributions from a political party.

(3) If a candidate committee retains contributions from a prior election cycle in excess of the political party contribution limit, the candidate committee may not use those funds for any subsequent election cycle but may retain them for use in accordance with section 1-45-106(1)(b), C.R.S., if applicable. The committee may also contribute the funds to a political party, donate the funds to a charitable organization recognized by the Internal Revenue Service, or return the funds to contributors.

(c) Candidates seeking election to a different office

(1) A candidate committee may transfer funds to a candidate committee established by the same candidate for a different public office, subject to the political party contribution limit for the new office sought. [Colo. Const. Article XXVIII, Section 3]

(2) Contributions from persons or committees made to the prior candidate committee do not apply toward the contribution limits for the new candidate committee.

(3) A candidate committee transferring funds to a candidate committee for a different office must terminate within ten days of registering the new candidate committee.

(4) A candidate seeking election to a state, county, or local office may not transfer funds from a federal candidate committee to a Colorado candidate committee that is subject to the provisions of the Fair Campaign Practices Act.

(5) If a candidate committee transfers funds in excess of the political party contribution limit, the candidate committee may only retain them for use in accordance with section 1-45-106(1)(b), C.R.S. if applicable. The committee may also contribute the funds to a political party, donate the funds to a charitable organization recognized by the Internal Revenue Service, or return the funds to contributors.

(d) Candidates not seeking re-election or election to a new office

(1) A candidate committee that wishes to terminate and will not transfer funds to a new candidate committee may give remaining contributions to:

(A) A political party, in an amount not to exceed the limit in Colo. Const. Article XXVIII Section 3(3) (as adjusted by Rule 10.17);

(B) A charitable organization recognized by the I.R.S.;

(C) The original contributors; or

(D) If elected to office, the candidate may use the remaining contributions for voter registration, political issue education, postsecondary educational scholarships, communication with constituents, or for expenses directly related to the officeholder's official duties.

[Section 1-45-106(1)(a)(I) and (b), C.R.S.]