



Disposal of committee money and capital assets

Minnesota Campaign Finance and Public Disclosure Board

When a candidate decides to stop running for office or the people involved with a political committee, political fund, or party unit decide to stop being active in elections, the committee, fund, or party unit cannot close its operations until (1) it has \$100 or less in cash and capital assets, and (2) it has submitted a termination report to the Board.

What are committee, fund, or party unit capital assets?

Any item donated to or purchased by the committee, fund, or party unit is a capital asset of the committee, fund, or party unit. For example, if the committee bought a computer and a printer, those things are capital assets. Cell phones used by candidates also are committee capital assets if they were paid for with committee funds.

Can the committee, fund, or party unit give its money and capital assets away?

A candidate committee, political committee or fund, or party unit cannot give its money or capital assets away to anyone for personal use. Committees, funds, and party units can sell their capital assets to anyone at fair market value, including to the candidate or members of the committee, fund, or party unit.

What can the committee, fund, or party unit do with its cash and capital assets?

A candidate committee, political committee or fund, or party unit can use its funds to pay unpaid bills or make contributions to other political committees and funds and to party units. Candidate committees, political committees and funds, and party units also may return cash and in-kind contributions to the contributors who made those contributions.

A candidate committee, political committee or fund, or party unit that is terminating within 12 months can make unlimited contributions to charities organized under section 501(c)(3) of the Internal Revenue Code.

If a candidate is running for another state-level office, the debts of the candidate's committee can be transferred to the candidate's new committee. Money and capital assets owned by a candidate's committee also can be transferred to the new committee subject to the limits on transfers from party units and terminating candidate committees. A candidate committee that is terminating within the next 12 months can make contributions to other state-level candidates but can never give money or capital assets to federal or local candidates. When a candidate committee contributes to another state candidate, it must tell the recipient in writing that the candidate's committee is terminating.

Political committees and funds and party units can make contributions to candidate committees at any level of government subject to the contribution limits applicable to those candidates.

A political fund that has money in its account that it received from the parent association's general treasury funds may transfer that money back to the parent association. Any capital assets that were purchased with money allocated to the fund from the parent association's general treasury funds also may be returned to the parent association. General treasury funds are funds that the association received from membership dues or fees, general donations to the association, or income from the operation of a business.