



Campaign Finance Handbook

CHAPTER 4: TRANSITION FUNDS

Officeholders elected or appointed to any elective, nonjudicial office may establish a Transition Fund to receive donations and to pay costs incurred for transition activities and inaugural celebrations. The creation of a Transition Fund is completely optional, as a candidate's campaign committee may also pay for these same expenses. A Transition Fund is separate and distinct from a candidate's campaign committee or any other fund or account. The maximum duration of existence for a Transition Fund is limited to 120 days. This chapter deals solely with regulations related to Transition Funds.

[R.C. 3517.1014](#)

What to Do First

Before receiving a donation or making a disbursement for the purpose of transition activities and inaugural celebrations, an officeholder (i.e., a person elected or appointed to any elective, nonjudicial, office) must file an Establishment of Transition Fund and Designation of Transition Fund Treasurer (Form 30-T). Though a Transition Fund must be separate from the officeholder's campaign committee, it is permissible for the same person to serve as treasurer for both entities. Both the designated treasurer and the officeholder must sign the Establishment of Transition Fund and Designation of Transition Fund Treasurer form.

A Transition Fund may be established by an officeholder under the following circumstances.

If elected at a general election, a transition fund may be established:

- No sooner than the day after the day of the election if, based on the number of ballots outstanding and the unofficial results of the election, it is mathematically possible for the person (officeholder) to have been elected.
- No later than the last day of December of the year in which the election was held.

If appointed, a transition fund may be established:

- No sooner than after the person (officeholder) has been appointed to fill a vacancy in an unexpired term of a nonjudicial elective office.
- No later than 45 days after the person is appointed to office.

If elected at a special election, a transition fund may be established:

- No sooner than the day after the day of the election.
- No later than 45 days after the special election was held.



Bank Account

The treasurer must establish a bank or other financial institution account that is separate from any personal or business account and is used solely for the Transition Fund. All Transition Funds must be deposited into this separate account. All donations received and all disbursements made from this account must be fully disclosed. Donations may only be accepted, and disbursements may only be made during the Transition Fund's existence.

A federal identification number may be required by the Transition Fund's chosen financial institution. This number is issued by the Internal Revenue Service upon request.

Where to File Reports

Although Transition Funds may be established by officeholders at all levels (e.g., municipal, county, and statewide officeholders), the disclosure reports of all Transition Funds must be filed electronically with the Secretary of State.

[R.C. 3517.1014\(D\)\(2\)](#)

When to File Reports

For the initial disclosure filing, the treasurer of a Transition Fund must file an itemized report of all donations received and disbursements made from the creation of the Transition Fund to the close of business on the fifth day before the statement must be filed, not later than 4 p.m. on these dates:

- January 15 of the calendar year following the general election at which the officeholder was elected.
- If the officeholder was elected at a special election or appointed to office, the 65th day after the Transition Fund is created.

Further reports are required to be filed on the 15th day of each subsequent month of the Transition Fund's existence to reflect donations received and disbursements made from the close of business on the last day reflected in the last filed report to the close of business on the fifth day before the next statement is required to be filed.

What to File

Each disclosure filing must be submitted online. The treasurer must provide:

- The full name and address of the treasurer filing the report.
- The full name and address of the officeholder benefitting from the Transition Fund.
- The balance brought forward from the most recent filing, if any.
- A statement of donations received, which must include all of the following:
 - The month, day, and year on which each donation was received.
 - The full name and street address of each donor.
 - The nature of each donation, if other than money.
 - The value of each donation in dollars and cents.
 - The name of the donor's current employer, or if the donor is self-employed, the donor's occupation and the name of the donor's business.



- A statement of disbursements, which must include all of the following:
 - The name and address of the recipient of each disbursement.
 - The date of each disbursement.
 - The amount of each disbursement.
 - The purpose for which each disbursement was made.
 - The date the Transition Fund incurred the cost for which the disbursement was made.
- The balance remaining in the fund at the close of the reporting period.

A transaction reported in a report should not be reported again in any other report.

Corrections and Amendments

The Transition Fund must file an amended report when a correction is necessary, additional information is obtained by the Transition Fund, or when ordered by the Transition Fund's auditing authority. Amendments filed electronically consist of all report data—what was originally filed and new or modified records.

When an error is found, or when checks are received that could not earlier be attached to a report, the Transition Fund should file an amendment immediately. When an auditing authority requests more information or a correction to a report, the Transition Fund has 21 days to provide the information or correction.

[R.C. 3517.11\(B\); OAC 111:2-4-19](#)

Donations

Individuals, campaign committees, PACs, and entities, including for-profit corporations, may make donations to a Transition Fund of both money and in-kind goods and services. All donations must be deposited into the separate account established for the Transition Fund. No donation may be accepted or deposited unless the officeholder has established a Transition Fund.

Donation Limits

Donations to the Transition Fund established for the joint offices of Governor and Lieutenant Governor are limited to \$10,000 per donor. This limit applies to the aggregate value of all donations made by the donor of both money and in-kind goods and services.

[R.C. 3517.1014\(C\)\(1\)\(b\) & \(3\)\(a\)](#)

Donations to the Transition Fund established for an officeholder other than Governor or Lieutenant Governor are limited to \$2,500 per donor. This limit applies to the aggregate value of all donations made by the donor of both money and in-kind goods and services to the Transition Fund.

[R.C. 3517.1014\(C\)\(1\)\(c\) & \(3\)\(b\)](#)



Disbursements

A Transition Fund may use any donation to pay for legitimate and verifiable costs incurred for ordinary and necessary transition activities and inaugural celebrations.

[R.C. 3517.1014\(A\)](#)

These costs may include any of the following:

- office expenses (e.g., leases, supplies)
- salaries for transition personnel
- consulting fees
- food, beverages, and entertainment at an inaugural celebration

For the purpose of disbursing transition funds, the following definitions apply:

- "Legitimate" means conforming to recognized principles or accepted rules and standards.
- "Verifiable" means able to be proven true, confirmed, or authenticated.
- "Ordinary" means taking place according to customary occurrences or procedures.
- "Necessary" means appropriate and helpful to accomplishing a particular end.

[OEC Adv. 87ELC-4](#)

Expenditure Verification

Every expenditure in excess of \$25 must have a corresponding canceled check or receipt photocopy attached to the report. A proper receipt is one that has been marked "PAID" by the vendor. In addition, the Secretary of State may request a mileage log for mileage reimbursements, so that the expenditure and its appropriateness may be verified. If canceled checks are not returned or provided by the banking institution of the committee, a copy or printout of the Transition Fund's bank statements will suffice for the receipt requirement so long as the name of the vendor, date of transaction, and amount of the expenditure are all provided. Additionally, printouts of canceled check images as provided by the Transition Fund's banking institution satisfy the expenditure verification requirement.

[R.C. 3517.10\(D\)](#); [OAC 111:2-4-13](#); [OEC Adv. ELC87-3](#), [ELC87-12](#)

Prohibitions

Donations to a Transition Fund may not be used to influence the election of any candidate for any office or for influencing the results of any election. While a Transition Fund may accept donations from candidate campaign committees, it may not contribute to campaign committees, political action committees, legislative campaign funds, political contributing entities, or political parties.

A Transition Fund may not make any disbursements to pay for or reimburse any personal expenses of the beneficiary of the Transition Fund, except for costs incurred for transition activities and inaugural celebrations.

[R.C. 3517.1014\(G\)](#)



Closing the Transition Fund

After the payment of all costs incurred for transition activities and inaugural celebrations, the treasurer of the Transition Fund must dispose of any money or assets remaining in the Transition Fund before terminating the fund by doing either of the following:

- Give the amount, pro rata, to all persons (except campaign committees) who made donations to that Transition Fund as a refund of all or part of their donations.
- Give the amount to a nonprofit corporation exempt from federal income taxation under subsection 501(a) and described in subsection 501(c) of the Internal Revenue Code.

The transition fund must sell any non-donated assets at their fair market value and dispose of the sale proceeds in one of the allowable manners described above.

[R.C. 3517.1014\(H\)](#)

In disposing of money or assets, the treasurer of a transition fund must not refund to any campaign committee any donation received from that campaign committee.

[R.C. 3517.1014\(H\)\(3\)](#)

Not later than 120 days after a Transition Fund has been established, the treasurer of the Transition Fund must file a final report of donations and disbursements and mark the report as a termination report. The final report must include a copy of all available statements from the bank or other financial institution that held Transition Fund moneys. The bank or financial institution statements must demonstrate a zero balance remaining in the Transition Fund account to confirm that all Transition Fund moneys were disposed of before the termination of the Transition Fund.

If final bank or financial institution statements are unavailable at the time of the filing of the final report, the Transition Fund must file with the Secretary of State copies of the final bank or financial institution statements within five days after receiving those statements from the bank or financial institution.

Upon the filing of the final report, the Transition Fund will cease to exist.

[R.C. 3517.1014\(I\)](#)

If, upon the completion of the Official Canvass of election returns for the election at which the beneficiary of a Transition Fund seeks election to office, it is determined that the beneficiary has not been elected to that office, within 30 days after the completion of the canvass the treasurer of the beneficiary's Transition Fund shall dispose of all assets remaining in the Transition Fund and file a final report.

[R.C. 3517.1014\(H\)\(2\)](#)