- (1) For disbursements in excess of \$200 to a payee, the candidate shall present a canceled check negotiated by the payee and either:
- (i) A receipted bill from the payee that states that purpose of the disbursement; or
 - (ii) If such a receipt is not available,
- (A) One of the following documents generated by the payee: a bill, invoice, or voucher that states the purpose of the disbursement; or
- (B) Where the documents specified in paragraph (b)(1)(ii)(A) of this section are not available, a voucher or contemporaneous memorandum from the candidate or the committee that states the purpose of the disbursement; or
- (iii) Where the supporting documentation required in paragraphs (b)(1) (i) or (ii) of this section is not available, the candidate or committee may present collateral evidence to document the qualified campaign expense. Such collateral evidence may include, but is not limited to:
- (A) Evidence demonstrating that the expenditure is part of an identifiable program or project which is otherwise sufficiently documented such as a disbursement which is one of a number of documented disbursements relating to a campaign mailing or to the operation of a campaign office; or

(B) Evidence that the disbursement is covered by a pre-established written campaign committee policy, such as a dairy travel expense policy.

(iv) If the purpose of the disbursement is not stated in the accompanying documentation, it must be indicated on the canceled check.

(2) For all other disbursements, the candidate shall present:

- (i) A record disclosing the full name and mailing address of the payee, the amount, date and purpose of the disbursement, if made from a petty cash fund; or
- (ii) A canceled check negotiated by the payee that states the full name and mailing address of the payee, and the amount, date and purpose of the disbursement.
 - (3) For purposes of this section:
- (i) Payee means the person who provides the goods or services to the candidate or committee in return for the disbursement; except that an individual will be considered a payee under this section if he or she receives \$1000 or less advanced for travel and/or subsistence and if the individual is the recipient of the goods or services purchased.
- (ii) *Purpose* means the full name and mailing address of the payee, the date and amount of the disbursement, and a

- brief description of the goods or services purchased.
- (c) Retention of records. The candidate shall retain records with respect to each disbursement and receipt, including bank records, vouchers, worksheets, receipts, bills and accounts, journals, ledgers, fundraising solicitation material, accounting systems documentation, and any related materials documenting campaign receipts and disbursements, for a period of three years pursuant to 11 CFR 102.9(c), and shall present these records to the Commission on request.
- (d) List of capital and other assets. (1) Capital assets The candidate or committee shall maintain a list of all capital assets whose purchase price exceeded \$2000 when acquired by the campaign. The list shall include a brief description of each capital asset, the purchase price, the date it was acquired, the method of disposition and the amount received in disposition. For purposes of this section, "capital asset" shall be defined in accordance with 11 CFR 9004.9(d)(1).
- (2) Other assets. The candidate or committee shall maintain a list of other assets acquired for use in fundraising or as collateral for campaign loans, if the aggregate value of such assets exceeds \$5000. The list shall include a brief description of each such asset, the fair market value of each asset, the method of disposition and the amount received in disposition. The fair market value of other assets shall be determined in accordance with 11 CFR 9004.9(d)(2).

PART 9004—ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS; USE OF PAYMENTS

10. The authority citation for part 9004 continues to read as follows:

Authority: 26 U.S.C. 9004 and 9009(b).

11. Section 9004.4 is amended by revising paragraph (a), by adding new paragraph (b)(8), and by removing paragraph (c), to read as follows:

§ 9004.4 Use of payments.

- (a) Qualified campaign expenses. An eligible candidate shall use payments received under 11 CFR part 9005 only for the following purposes:
- to defray qualified campaign expenses;
- (2) To repay loans that meet the requirements of 11 CFR 100.7 (a)(1) or (b)(11) or to otherwise restore funds (other than contributions received pursuant to 11 CFR 9003.3 (b) or (c) and expended to defray qualified campaign expenses) used to defray qualified campaign expenses;

- (3) To restore funds expended in accordance with 11 CFR 9003.4 for qualified campaign expenses incurred by the candidate prior to the beginning of the expenditure report period.
- (4) Winding down costs. The following costs shall be considered qualified campaign expenses:
- (i) Costs associated with the termination of the candidate's general election campaign such as complying with the post-election requirements of the Act and other necessary administrative costs associated with winding down the campaign, including office space rental, staff salaries, and office supplies; or
- (ii) Costs incurred by the candidate prior to the end of the expenditure report period for which written arrangement or commitment was made on or before the close of the expenditure report period.
- (iii) 100% of salary, overhead and computer expenses incurred after the end of the expenditure report period may be paid from a legal and accounting compliance fund established pursuant to 11 CFR 9003.3, and will be presumed to be solely to ensure compliance with 2 U.S.C. 431 et seq. and 26 U.S.C. 9001 et seq.
- (5) Gifts and monetary bonuses. Gifts and monetary bonuses shall be considered qualified campaign expenses, provided that:
- (i) Gifts for committee employees, consultants and volunteers in recognition for campaign-related activities or services do not exceed \$150 total per individual and the total of all gifts does not exceed \$20,000; and
- (ii) All monetary bonuses for committee employees and consultants in recognition for campaign-related activities or services;
- (A) Are provided for pursuant to a written contract made prior to the date of the election; and
- (B) Are paid during the expenditure report period.
 - (b) * * *
- (8) Lost or Misplaced Items. The cost of lost or misplaced items may be considered a nonqualified campaign expense. Factors considered by the commission in making this determination shall include, but not be limited to, whether the committee demonstrates that it made conscientious efforts to safeguard the missing equipment; whether the committee sought or obtained insurance; the type of equipment involved; and the number and value of items that were lost.
- 12. Section 9004.5 is revised to read as follows: