

be solely to ensure compliance with 2 U.S.C. 431 *et seq.* and 26 U.S.C. 9001 *et seq.*

* * * * *

(iii) Amounts paid from the GELAC for the purposes permitted by paragraphs (a)(2)(i) (A) through (F), (H) and (I) of this section shall not be subject to the expenditure limits of 2 U.S.C. 441a(b) and 11 CFR 110.8. (See also 11 CFR 100.146.) When the proceeds of loans made in accordance with paragraph (a)(2)(i)(G) of this section are expended on qualified campaign expenses, such expenditures shall count against the candidate's expenditure limit.

(iv) Contributions to and funds deposited in the GELAC may not be used to retire debts remaining from the presidential primaries, except that, after payment of all expenses set out in paragraph (a)(2)(i) of this section, and the completion of the audit and repayment process, including the making of all repayments owed to the United States Treasury by both the candidate's primary and general election committees, funds remaining in the GELAC may be used for any purpose permitted under 2 U.S.C. 439a and 11 CFR part 113, including payment of primary election debts.

* * * * *

9. Section 9003.5 would be amended by adding new paragraph (b)(4), to read as follows:

§ 9003.5 Documentation of disbursements.

* * * * *

(b) * * *

(4) The documentation requirements of 11 CFR 102.9(b) shall also apply to disbursements.

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

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

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

11. Section 9004.4 would be amended by:

- a. Revising the section heading;
 - b. Revising paragraph (a)(3);
 - c. Revising paragraph (a)(4) introductory text;
 - d. Removing paragraph (a)(4)(i);
 - e. Redesignating paragraph (a)(5) as paragraph (a)(6) and redesignating paragraph (a)(4)(ii) as paragraph (a)(5) and revising newly-designated (a)(5); and
 - f. Revising paragraph (b)(3).
- Revisions, removals, and redesignations are to read as follows:

§ 9004.4 Use of payments; examples of qualified campaign expenses and non-qualified campaign expenses.

(a) * * *

(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) To defray winding down costs pursuant to 11 CFR 9004.11; and

(5) To defray costs associated with the candidate's general election campaign paid after the end of the expenditure report period, but 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.

* * * * *

(b) * * *

(3) *Expenditures incurred after the close of the expenditure report period.*

Except for accounts payable costs pursuant to paragraph (a)(5) of this section and winding down cost pursuant to 11 CFR 9004.11, any expenditures incurred after the close of the expenditure report period, as defined in 11 CFR 9002.12, are not qualified campaign expenses.

* * * * *

12. Section 9004.9 would be amended by revising paragraph (a)(4) to read as follows:

§ 9004.9 Net outstanding qualified campaign expenses.

(a) * * *

(4) The amount submitted as an estimate of necessary winding down costs under paragraph (a)(1)(iii) of this section shall be broken down by expense category and quarterly or monthly time period. This breakdown shall include estimated costs for office space rental, staff salaries, legal expenses, accounting expenses, office supplies, equipment rental, telephone expenses, postage and other mailing costs, printing and storage. The breakdown shall estimate the costs that will be incurred in each category from the time the statement is submitted until the expected end of the winding down period.

* * * * *

13. New section 9004.11 would be added, to read as follows:

§ 9004.11 Winding down costs.

(a) *Winding down costs.* *Winding down costs* are 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. Winding down costs shall be considered qualified campaign expenses.

(b) *Winding down period.* The candidate may use public funds to pay for winding down costs only until the end of the winding down period. The winding down period begins on the day following the last day of the expenditure report period and continues until no earlier than:

(1) 30 days after the candidate's receipt of a Commission audit report that does not contain a repayment determination;

(2) 60 days after service of notice to the candidate of a Commission repayment determination if the candidate does not file a request for an administrative review of the repayment determination; or

(3) 30 days after service of notice to the candidate of the Commission's post-administrative review repayment determination or 30 days after service of notice of other final action concerning the administrative review.

(c) *Winding down limitation.* The total amount of winding down costs that may be paid for with public funds shall not exceed the lesser of:

(1) 2.5% of the expenditure limitation pursuant to 11 CFR 110.8(a)(2); or

(2) 2.5% of the total of:

(i) The candidate's expenditures subject to the expenditure limitation as of the end of the expenditure report period; plus

(ii) The candidate's expenses exempt from the expenditure limitation as of the end of the expenditure report period; except that

(iii) The winding down limitation shall be no less than \$100,000.

(d) *Allocation of primary and general election winding down costs.* A candidate who runs in both the primary and general election may divide winding down expenses between his or her primary and general election committees using any allocation method, including payment of 100% of these expenses by the primary or general election committee.

PART 9008—FEDERAL FINANCING OF PRESIDENTIAL NOMINATING CONVENTIONS

14. The authority citation for Part 9008 would be revised to read as follows:

Authority: 2 U.S.C. 437, 438(a)(8), 441i; 26 U.S.C. 9008, 9009(b).

15. Section 9008.3 would be amended by redesignating paragraph (b)(1)(ii) as paragraph (b)(1)(iii) and adding new paragraph (b)(1)(ii), to read as follows: