

(i) Expenses incurred by a candidate after the candidate's date of ineligibility to conduct a specific fundraising event at a national nominating convention needed to retire the candidate's net outstanding campaign obligations may be treated as qualified campaign expenses. The costs of the candidate's travel to attend such fundraising events, as well as the travel expenses of campaign staff who participate in the organization and administration of such events, may be treated as qualified campaign expenses. Travel costs consist of transportation, hotel or other lodging, and per diem subsistence for the candidate, the candidate's spouse, and campaign staff and volunteers who organize or administer the fundraising event. Expenses allocable to participation by the candidate or campaign staff in the national nominating convention, any other activities related to the convention, or any other activities conducted by the political party, other than such candidate fundraising events, are non-qualified campaign expenses. Expenses related to such a fundraising event may be treated as qualified campaign expenses only to the extent that, on the date of the fundraising event, the candidate has net outstanding campaign obligations pursuant to 11 CFR 9034.1(b).

(ii) Expenses incurred by a candidate after the candidate's date of ineligibility attributable to a meeting, reception, or other event at a national nominating convention to thank campaign employees, consultants and volunteers pursuant to paragraph (a)(5) of this section, may be treated as qualified campaign expenses so long as such a meeting, reception or event is restricted to attendees who served the candidate's primary campaign as employees, consultants, or volunteers. Travel expenses for the candidate to attend such events or for campaign staff who organize such events at the national nominating convention are not qualified campaign expenses.

(b) * * *

(3) *General election and post-ineligibility expenditures.* Except for continuing to campaign costs and winding down costs pursuant to paragraph (a)(3) of this section and certain convention expenses described in paragraph (a)(6) of this section, any expenses incurred after a candidate's date of ineligibility, as determined under 11 CFR 9033.5, are not qualified campaign expenses. In addition, any expenses incurred before the candidate's date of ineligibility for goods and services to be received after the candidate's date of ineligibility, or

for property, services, or facilities used to benefit the candidate's general election campaign, are not qualified campaign expenses.

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34. Section 9034.5 would be amended by revising paragraph (b)(2) to read as follows:

§ 9034.5 Net outstanding campaign obligations.

* * * * *

(b) * * *

(2) The amount submitted as estimated necessary winding down costs under paragraph (a)(1) 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.

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35. Section 9034.10 would be added to read as follows:

§ 9034.10 Expenditures for qualified campaign expenses by multicandidate political committees.

(a) *Definition.* For purposes of this section, qualified campaign expense means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value—

(1) Incurred by, on behalf of, or for the benefit of a candidate or the candidate's authorized committee; and

(2) Made in connection with a candidate's campaign for nomination.

(3) Examples of a qualified campaign expense include, but are not limited to:

- (i) Polling expenses;
- (ii) Travel expenses;
- (iii) Staff salaries; and
- (iv) Office space expenses.

(b) If a multicandidate political committee makes an expenditure for any qualified campaign expense of a candidate on or after January 1 of the year immediately following the last Presidential election year, the expenditure shall be:

(1) Deemed to be an in-kind contribution by that multicandidate political committee to the authorized committee of the candidate and subject to the provision of 11 CFR 9035.1(a)(3)(iv);

(2) Subject to the contribution limitations set forth in 11 CFR 110.2(b);

(3) Included in the expenditures subject to the expenditure limitations in 11 CFR part 9035; and

(4) Subject to the provisions of 11 CFR 9038.1.

(c) Any expenditure described in paragraph (b) of this section, when aggregated with other contributions to the same candidate, that exceed the contribution limitation in 11 CFR 110.2(b) shall be deemed to be an excessive contribution.

36. New section 9034.11 would be added, to read as follows:

§ 9034.11 Winding down costs.

(a) *Winding down costs.* *Winding down costs* are costs associated with the termination of political activity related to a candidate's seeking his or her nomination for election, such as the costs of 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 matching 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 candidate's date of ineligibility for candidates who do not run in the general election, or on the day following the date 30 days after the general election for candidates who run in the general election, 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 the Commission's determination that no repayment is owed.

(c) *Winding down limitation.* The total amount of winding down costs that may be paid for, in whole or part, with matching funds shall not exceed the lesser of:

(1) 5% of the overall expenditure limitation pursuant to 11 CFR 9035.1; or

(2) 5% of the total of:

(i) The candidate's expenditures subject to the overall expenditure