

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations)

§ 18612. Accounting by Lobbying Firms.

(a) Pursuant to Government Code Section 86110, a lobbying firm shall maintain a journal, ledger, or other record of all payments received in connection with state lobbying activity. The journal, ledger, or record shall include for each payment received:

- (1) The full name of the person making the payment;
- (2) If the payment was made on behalf of another person, the full name of the person on whose behalf of the payment was made;
- (3) The date the payment was received;
- (4) The amount of the payment;
- (5) If the payment was received during a calendar quarter after the calendar quarter in which services were provided, include a note stating the payment was received for services provided in a prior period.

(b) A lobbying firm shall maintain a journal, ledger, or other record of all payments made in connection with state lobbying activity. The journal, ledger, or record shall include for each payment made:

(1) All activity expenses incurred or paid by the lobbying firm, including those reimbursed by a person who contracts with the lobbying firm for lobbying services. The following must be included for each activity expense:

- (A) The full name of the payee;

(B) The full name and official position of each elective state official, legislative official, state candidate or member of the immediate family of one of those individuals who was a beneficiary;

(C) The total number of all beneficiaries;

(D) A description of the goods or services or other consideration for which the expenditure was made or incurred;

(E) The date and total amount of the expenditure; and

(F) The amount of the expenditure attributable to each beneficiary

(2) All monetary and non-monetary contributions of \$25 or more made by the lobbying firm to state candidates, elected state officers and committees controlled by or primarily formed to support such candidates or officers. All of the following must be included for each contribution:

(A) The full name and address of the payee;

(B) The full name and address of the recipient of the contribution if other than the payee;

(C) In the case of a non-monetary contribution, a description of the goods or services or other consideration provided; and

(D) The amount and date of the contribution. If the lobbying firm or a committee sponsored by the lobbying firm keeps records and files campaign statements with the Secretary of State pursuant to Chapter 4 of the Political Reform Act, no records are required by this subsection; and

(3) All payments to any other lobbying firm with which the lobbying firm subcontracts.

All of the following must be included for each payment:

(A) The full name of the subcontractor;

(B) The full name of the person for whom the subcontractor was retained to lobby; and

(C) The date and amount of the payment.

(c) A lobbying firm shall maintain source documents to substantiate the information required by this regulation, including:

(1) Bank and credit card records evidencing payment or receipt, such as bank statements, cancelled checks or legible images of cancelled checks, credit card statements and credit card receipts;

(2) Records of goods or services received or provided, such as receipts, invoices, contracts, and agreements; and

(3) Correspondence and communications substantiating the receipts or disbursements.

(d) If a lobbying firm is unable to obtain a source document to substantiate an activity expense, the firm shall prepare a written dated voucher, or annotated receipt or invoice, documenting the required information as soon as practicable after the activity expense is made.

(e) All records which must be kept by virtue of this regulation shall be maintained for a period of five years from the date of the lobbying firm's final report for the calendar year for which the activities were reported pursuant to Government Code Section 86114.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 86110 and 91000.5, Government Code.

HISTORY

1. New section filed 5 -28 -86 as an emergency; operative 5 -28 -86 (Register 86, No. 22). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 9 -25 -86.
2. Certificate of Compliance filed 9 -15 -86 (Register 86, No. 38).
3. New subsection (a)(2) and subsection renumbering filed 5-26-98; operative 5-26-98. Submitted to OAL for printing only pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, Linda Stockdale Brewer , Sacramento Superior Court, Case No. 51275 (1991) (Register 98, No. 22).
4. Amendment of subsection (f) and Note filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).
5. Repealer and new section filed 12-13-2021; operative 1-12-2022 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 51).