



California Fair Political Practices Commission

September 11, 1986

James G. Seely
Association Legal Services
465 California Street, Suite 200
San Francisco, CA 94104

Re: Your Request for Advice
Our File No. A-86-269

Dear Mr. Seely:

Thank you for sending us a copy of your letter to Dr. Wesley Apker, Executive Director of the Association of California School Administrators (ACSA), concerning the duties of ACSA and the ACSA-PAC under the campaign disclosure provisions of the Political Reform Act.^{1/} I am writing to confirm your advice to Dr. Apker, and to provide more specific advice about the duties of ACSA and the ACSA-PAC.

QUESTION

ACSA will prepare and send a solicitation for funds to oppose Proposition 61. The solicitation will request contributions to either the ACSA-PAC or the Citizens for Quality Government (No on 61) Committee. Any contributions received by the ACSA-PAC will be forwarded to the Citizens for Quality Government Committee. How should ACSA and the ACSA-PAC report the value of goods and services ACSA provides in connection with the solicitation?

CONCLUSION

ACSA's expenditures for goods and services in connection with the solicitation are contributions to the ACSA-PAC. The ACSA-PAC must report these contributions and all expenditures made in connection with the solicitation on its campaign statements. The ACSA-PAC must also report an in-kind contribution to the Citizens for Quality Government Committee. These reporting requirements are discussed in more detail in the following analysis.

^{1/} Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise noted.

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ANALYSIS

Initially, I wish to note that campaign reports are not filed with the FPPC. Please refer to Part III (pages 19-20) of the 1986 Information Manual on Campaign Disclosure Provisions of the Political Reform Act (copy enclosed) for information on where to file campaign statements. If the ACSA-PAC has any questions about where to file reports, they should contact our Technical Assistance and Analysis Division at (916) 322-5662.

As I advised you during our telephone conversation, ACSA's expenditures for goods and services in connection with the solicitation constitute contributions to the ACSA-PAC. Section 82015; 2 Cal. Adm. Code Section 18215. ACSA must therefore inform the ACSA-PAC of the value of in-kind (non-monetary) contributions, such as use of the ACSA bulk rate postage permit or ACSA stationery. The pro rata portion of salary, reimbursement for personal expenses, and other compensation paid by ACSA to its employees who spend 10 percent or more of their compensated time preparing and sending the mailing is also an in-kind contribution which must be calculated and reported. 2 Cal. Adm. Code Section 18423. ACSA would make monetary contributions to the ACSA-PAC if ACSA makes payments to printers and other vendors in connection with the mailing.

The ACSA-PAC must report receipt of the contributions from ACSA. The fair market value of all in-kind contributions is reported on Schedule C of Form 420. When ACSA has paid a printer or other vendor for goods or services, the ACSA-PAC must report both the receipt of a contribution from ACSA (on Schedule A of Form 420) and an expenditure to the vendor (on Schedule E of Form 420). The total cost of goods and services in connection with the mailing must be reported on the Allocation Schedule of Form 420 by the ACSA-PAC as an in-kind contribution to the Citizens for Quality Government Committee.

If you have any further questions regarding this matter, please contact me at (916) 322-5901.

Very truly yours,

Kathryn E. Donovan

Kathryn E. Donovan
Counsel
Legal Division

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August 25, 1986

Dr. Wesley L. Apker
Executive Director
Association of California
School Administrators
1575 Old Bayshore Highway
Burlingame, CA 94010

Re: Proposition 61: FPPC Reporting Requirements

Dear Dr. Apker:

You have advised us that ACSA will provide services to prepare and mail a solicitation for funds to be used to oppose Proposition 61. The mailing will solicit contributions either to ACSA-PAC or to Citizens for Quality Government (CQG). Any funds received by ACSA-PAC from the solicitation will be forwarded to CQG.

You have inquired as to how ACSA and ACSA-PAC should report the value of these ACSA services to the FPPC.

In order to answer your question, we have contacted Kathy Donovan of the FPPC Legal Division. She advised us that ACSA-PAC could properly report the value of these ACSA services.

Thus, ACSA should keep track of the value of services,

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including postage, stationery and the like. In addition, as to the value of services provided by ACSA employees, ACSA need only report to ACSA-PAC the value of services attributable to any individual employee who spends "more than 10 percent of his compensated time in any one month for political purposes." (2 Cal.Admin.Code, sec.18423.) ACSA-PAC, not ACSA, should in turn report these amounts to the FPPC.

Please do not hesitate to telephone us if you have any further questions on this matter.

Sincerely,

Law Offices of James G. Seely


James G. Seely

JGS/jh
cc: C. Thomas Magner
Kathy Donovan