

Memorandum

No. M-87-101

To : Advice File Section 82013(c)

Date : June 17, 1987

From : **FAIR POLITICAL PRACTICES COMMISSION**

Carla Wardlow

Subject: Receipt and Repayment of In-Kind Loan During the Same
Reporting Period

At the June 4, 1987, advice request meeting, it was agreed that my April 13, 1987, advice to Mr. George was incorrect, and that the person who purchased the \$25,000 in postage must be listed as a contributor on the recipient's campaign statement and must file a major donor report.

I advised Mr. George of this advice during the week of June 8 and he indicated that he would take appropriate steps to correct the problem. On June 15, Mr. George called back to ask if the person who purchased the postage would still be required to file as a major donor in light of the fact that a law firm had reimbursed the individual and the committee had reimbursed the law firm. I told him that the individual would still be required to file.

cc: Bill George

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To : Advice File Section 82013(c)

Date : April 13, 1987

From : **FAIR POLITICAL PRACTICES COMMISSION**

Carla Wardlow

Subject: Receipt and Repayment of In-Kind Loan During the Same Reporting Period

On March 13, 1987, Bill George, an attorney in San Francisco (415-392-7077), asked whether an individual had qualified as a major donor committee when he purchased \$25,000 in postage for a candidate's committee and was reimbursed by the committee during the same reporting period.

I advised him that the individual had technically made an "in-kind loan" to the committee, but that because the committee had repaid him during the same reporting period, it would only be required to report the transaction as a reimbursement to the individual on Schedule E of its campaign disclosure statement. Because the committee would not be reporting the postage as a contribution, the individual does not need to file a major donor statement.

I also advised Mr. George that we may be considering this question further and if the same situation occurs again, he should call me.

NOTE: "In-kind" loans are normally reported on Schedule F (Accrued Expenses) of a committee's campaign statements, with a note on Schedule C (Non-Monetary Contributions) referring to Schedule F. However, because the individual in this case was reimbursed during the same reporting period, there is no way for the committee to report the payment as an accrued expense. The committee also could not report the payment as a loan on Schedule B (Loans Received) because the form only allows for reporting monetary loans on Schedule B. It also would not be logical to have the committee report the payment as both a non-monetary contribution on Schedule C and as a payment on Schedule E at the same time.