



California Fair Political Practices Commission

July 27, 1988

James Bratt, Treasurer
CA Republican Assembly Membership
Action Committee
5232 Butterwood Circle
Orangevale, CA 95662

RE: Your Request for Advice
Our File No. A-88-235

Dear Mr. Bratt:

You have requested advice under the campaign disclosure provisions of the Political Reform Act (the "Act").^{1/}

FACTS

In September 1984, you took over the duties of treasurer for the California Republican Assembly Membership Action Committee (CRAMAC). In October 1984, CRAMAC made two payments to the Friends of John Doolittle Committee. The two payments were made conditionally. If John Doolittle was elected, the Friends of John Doolittle Committee would reimburse CRAMAC for the payments it made in October, 1984. A loan agreement was drafted but never signed. At the time the two payments were made by CRAMAC, CRAMAC's previous treasurer advised you that, because no loan agreement was signed, the payments should be reported as monetary contributions and at some later date, when the loan agreement was signed, the payments would be reported by CRAMAC as loans to the Friends of John Doolittle Committee. No loan agreement was ever signed. On June 17, 1988, CRAMAC received a check in the amount of \$3,000 from the Friends of John Doolittle Committee as reimbursement for the two payments.

QUESTION

How is the receipt of the \$3,000 from the Friends of John Doolittle Committee reported by CRAMAC?

CONCLUSION

CRAMAC will report the \$3,000 as an increase to cash on Schedule G. CRAMAC should also explain on Schedule G the circumstances surrounding the receipt.

^{1/}Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, *et seq.* All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

ANALYSIS

The Act does not require committees to enter into loan agreements. Loan agreements are discretionary.

The facts presented in your letter indicate that the payments were intended to be a loan and not a monetary contribution to the Friends of John Doolittle Committee. During our telephone conversation of July 18, 1988, you advised me that there was a misunderstanding between CREMAC and the Friends of John Doolittle Committee regarding the nature of the contribution. I advised you to report the repayment as an increase to cash on Schedule G of CRAMAC's Form 420 and provide an explanation of the facts as stated in your letter of June 19, 1988.

Please do not hesitate to contact me at 916/322-5662 if you have any additional questions concerning this matter.

Sincerely,

Diane M. Griffiths
General Counsel



By: Mary Ann Kvasager
Political Reform Consultant

June 19, 1988
Sacramento, CA

F 12 4
JUN 21 3 37 PM '88

Fair Political Practices Commission

Subject: Request for Assistance
California Republican Assembly Membership
Action Committee # 771233

In September of 1984 I took over the reporting for the CRAMAC account. In October of 1984 two payments were made to the 'Friends of John Doolittle' (810028), one for a special mailing of \$1,183 and the second for \$1,817 for his campaign. The payments were made conditionally, that is that if Mr. Doolittle won his election he would return the funds. A loan agreement was drafted but never signed.

I was advised, at the time, by the prior treasurer that since no agreement was signed that the payment should be reported as contributions and corrected at a future date when a signed agreement or the money returned.

On June 17, 1988, a check for \$3,000 was received by CRAMAC from the 'Friends of John Doolittle'.

How do I report the receipt of the \$3,000 and what corrections must be made to the reports of CRAMAC?

Your speedy reply is appreciated as the reporting period is upon us for the semi-annual report.

I can be contacted by phone at:

day 916 324-3615
night " 988-9750 (recorded on after 4 rings)
5232 Butterwood Cir.
Orangevale, CA 95662

Sincerely,


James Bratt, Treasurer