



# California Fair Political Practices Commission

October 20, 1988

The Honorable Rusty Areias  
Member of the Assembly  
140 Central Ave., Room 203  
Salinas, CA 93901

RE: Your Request for Advice  
Our File No. A-88-381

Dear Mr. Areias:

You have requested advice regarding the campaign disclosure provisions of the Political Reform Act of 1974.<sup>1/</sup> The committee for Mr. Ron Gonzalez, a candidate for supervisor in Santa Clara County, has authorized you to request advice on his behalf.

## QUESTIONS

Your committee plans to conduct a fundraiser benefitting both a non-profit organization, known as TRUCHA, Inc., and the committee of a candidate for supervisor in Santa Clara County, Ron Gonzalez.

1. Should a joint checking account be established in the names of TRUCHA, Inc. and Mr. Gonzalez's committee for the purpose of receiving contributions for this fund raiser?
2. How should Mr. Gonzalez's committee report contributions received from this fund raiser?
3. How should your committee report its expenditures for this fund raiser?

## CONCLUSIONS

1. A joint checking account is unnecessary.
2. Assuming a joint checking account is not established and all contribution checks are written to Mr. Gonzalez's committee, his committee must report 50% of all contributions received as monetary contributions on Schedule A of the Form 490 and the remaining 50% of the contributions as miscellaneous receipts on Schedule G of Form 490, with an explanation that

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<sup>1/</sup>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.

they are TRUCHA, Inc.'s proceeds from a fundraiser. In addition, his committee must report receiving 100% of the expenditures your committee makes as in-kind contributions received on Schedule C of Form 490. When Mr. Gonzalez's committee writes a check to TRUCHA, Inc. for its 50% of the proceeds, the committee must report the amount given to TRUCHA, Inc. as an expenditure on Schedule E.

3. Your committee should report 100% of all expenditures made on Schedule E of the Form 490 as in-kind contributions to Ron Gonzalez's committee. In addition, if the in-kind contributions your committee makes total more than \$100, you must itemize these contributions on the Allocation Page of your committee's Form 490.

#### FACTS

According to your letter and subsequent conversations with Connie Miller of your office, and Jude Barry of Mr. Gonzalez's campaign office, your committee intends to pay for all costs related to a fund raiser.

Mr. Gonzalez is a candidate for the Santa Clara County Board of Supervisors. His committee will share equally in the proceeds of the fund raiser with a non-profit organization known as TRUCHA, Inc.

#### ANALYSIS

Section 84211(a) requires each campaign statement to include the total amount of contributions received during the period covered by the statement. If the cumulative amount of contributions received from a person in a calendar year is one hundred dollars or more and a contribution has been received from that person during the period covered by the campaign statement, the following information regarding the contributor must be provided:

- (1) His or her name;
- (2) His or her street address;
- (3) His or her occupation;
- (4) The name of his or her employer or if self-employed, name of business;
- (5) The date and amount received for each contribution received during the period covered by the campaign statement and if the contribution is a loan, the interest rate for the loan; and
- (6) The cumulative amount of contributions.

(Section 84211(f).)

Therefore, Mr. Gonzalez's committee will itemize as a source of a contribution each person from whom Mr. Gonzalez's share of the donations is \$100 or more.

The term contribution includes an expenditure made at the behest of a candidate, committee or elected officer unless full and adequate consideration is received for making the expenditure. (Section 82015.) Thus, the Gonzalez committee must report receiving in-kind contributions from your committee in the amount spent in support of the fund raiser.

Your campaign statement must contain the following information for each person to whom an expenditure of one hundred dollars or more has been made during the period covered by the campaign statement:

- (1) His or her full name;
- (2) His or her street address;
- (3) The amount of each expenditure;
- (4) A brief description of the consideration for which each expenditure was made;
- (5) In the case of an expenditure which is a contribution, the date of the contribution, the cumulative amount of contributions made to a candidate, elected officer or committee, the full name of the candidate and the office and district for which he or she seeks nomination or election.

(Section 84211(j).)

If you need further assistance, please contact me at (916) 322-5662.

Sincerely,

Diane M. Griffiths  
General Counsel

By:

  
Kevin S. Braaten-Moen  
Political Reform Consultant



CALIFORNIA LEGISLATURE  
SACRAMENTO

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RUSTY AREIAS  
ASSEMBLYMAN - 25TH DISTRICT

September 27, 1988

Fair Political Practices Commission  
Kevin Braaten-Moen  
428 J Street, Suite 800  
Sacramento, CA 95814

Dear Kevin:

Thank you for the recent information which you were able to provide my campaign office concerning rules relating to the joint reception I will be holding for a non-profit organization and a candidate for the Santa Clara County Board of Supervisors.

I wish to confirm the information that my staff member discussed with you.

For this event there will be a joint account established in both the name of the non-profit organization and the supervisorial candidate. Contributors will write one check to attend the event. The supervisorial candidate will report 100% of all donations and 50% of the expenses. After the event, the candidate will write a check to the non-profit organization for 50% of the donations from the reception and can declare this as an expense.

I would appreciate a written statement from your office concerning the legality of handling the event in this manner. As we are working on a very tight time deadline, I would appreciate having this information returned to me by Tuesday, October 4.

Thank you for your time and attention.

Sincerely,

A handwritten signature in cursive script that reads "Rusty Areias".

RUSTY AREIAS

CARL  
MATT  
408-422-4344

RA:cm