



California Fair Political Practices Commission

March 13, 1989

Phillip K. Nails
Phillip K. Nails and Associates
920 20th Street, Suite 122
Sacramento, CA 95814

RE: Your Request for Advice
Our File No. A-88-482

Dear Mr. Nails:

You have requested advice on behalf of your client, Jean Fink of the California Cosmetology Association, regarding the campaign disclosure requirements of the Political Reform Act of 1974.¹

QUESTIONS

1. May the California Cosmetology Association add \$2.00 to the price of its tickets for certain Association-sponsored activities which would go to support the Association's political committee?
2. Is the Association merely an intermediary for those funds when it collects the \$2.00 and transmits them to the political committee?
3. May the political committee use the funds it collects from the Association in the above-mentioned manner for overhead costs as well as to make contributions to candidates?

CONCLUSIONS

1. As long as persons paying to attend Association-sponsored activities are informed that \$2.00 of their payment will be given to the Association's political committee, there is no prohibition against fundraising in the way you described.
2. The Association is acting as an intermediary when it collects \$2.00 per attendee of an activity and transmits the sum to the political committee. The Association must be listed on the political committee's reporting form (Form 420) as an intermediary of these funds.

¹Government 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.

Phillip Nails
Page Two

3. As long as the political committee does not receive contributions in excess of \$2,500 from any one contributor during a fiscal year, the political committee may use the funds collected from the Association for overhead expenses or for making contributions.

FACTS

The California Cosmetology Association sponsors activities at which attendees are charged a fee. The Association wants to add \$2.00 to the fee for the purpose of raising contributions for its sponsored political committee.

ANALYSIS

There are no statutes or regulations which would prohibit the association from adding \$2.00 to its entrance fee for any event it sponsored for the purpose of transmitting the sum amount to its sponsored political committee.

The political committee is required to disclose the association as an intermediary of funds transmitted by the association on its campaign disclosure statement if the amount transmitted is \$100 or more. No person attending the activities need be itemized on the political committee's report unless such person contributes \$100 or more to the political committee in a calendar year. (Section 84302.)

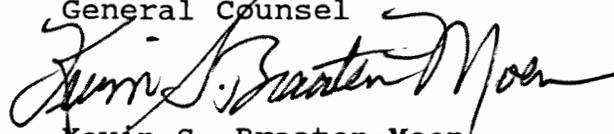
There are no statutes or regulations which would prohibit the political committee from using the funds it receives from the association for overhead and for making contributions to candidates, as long as the political committee does not receive a contribution exceeding \$2,500 from a single contributor in a fiscal year. (Section 85302.)

If the political committee chooses to raise more than \$2,500 from a single contributor in a fiscal year to support its overhead expenses, it must establish a bank account separate from the account from which it makes contributions to candidates.

If you have additional questions, please contact me at (916) 322-5662.

Sincerely,

Diane M. Griffiths
General Counsel



By: Kevin S. Braaten-Moen
Political Reform Consultant



Phillip K. Nails & Associates

Legislative Representatives • Governmental Relations

FPPC

Dec 27 8 43 AM '88

December 23, 1988

Mr. Kevin Braaten-Moen
Fair Political Practices Commission
428 J Street, Suite 700
Sacramento, CA 95814

Dear Kevin,

Thank you for meeting with me last week. I am authorized by Mrs. Jean Fink, President, of the California Cosmetology Association to request information from the Commission on their behalf.

We would like confirmation that it is acceptable to the Commission for the Association to add a \$2.00 increase to tickets for certain future Association - sponsored activities for political action purposes. We understand that if a member or firm purchases more than \$100.00 of tickets (whether or not for redistribution) it will be necessary for us to list donor, occupation, address and employer. Further we understand you would like us to print a notice on tickets saying \$2.00 is going to be used for political action purposes.

Two other items we would like confirmed are:

- 1.) that the Association is merely an intermediary when transferring \$2.00 per person per event to the existing PAC.
- 2.) that the PAC may use these funds to fund overhead costs as well as to make contributions.

Thank you for your help in this matter.

Sincerely,

Phillip K. Nails
Legislative Representative

cc: Jean Fink, President
California Cosmetology Association

Ken Hitchcock, Legislative Chairman
California Cosmetology Association