

1 Adopt 2 Cal. Code Regs. Section 18612 to read:

2 **§ 18612. Accounting by Lobbying Firms.**

3 (a) Pursuant to Government Code Section 86110, a lobbying firm shall maintain a  
4 journal, ledger, or other record of all payments received in connection with state lobbying  
5 activity. The journal, ledger, or record shall include for each payment received:

6 (1) The full name of the person making the payment;

7 (2) If the payment was made on behalf of another person, the full name of the person on  
8 whose behalf of the payment was made;

9 (3) The date the payment was received;

10 (4) The amount of the payment;

11 (5) If the payment was received during a calendar quarter after the calendar quarter in  
12 which services were provided, include a note stating the payment was received for services  
13 provided in a prior period.

14 (b) A lobbying firm shall maintain a journal, ledger, or other record of all payments made  
15 in connection with state lobbying activity. The journal, ledger, or record shall include for each  
16 payment made:

17 (1) All activity expenses incurred or paid by the lobbying firm, including those  
18 reimbursed by a person who contracts with the lobbying firm for lobbying services. The  
19 following must be included for each activity expense:

20 (A) The full name of the payee;

21 (B) The full name and official position of each elective state official, legislative official,  
22 state candidate or member of the immediate family of one of those individuals who was a  
23 beneficiary;

1           (C) The total number of all beneficiaries;

2           (D) A description of the goods or services or other consideration for which the  
3 expenditure was made or incurred;

4           (E) The date and total amount of the expenditure; and

5           (F) The amount of the expenditure attributable to each beneficiary;

6           (2) All monetary and non-monetary contributions of \$25 or more made by the lobbying  
7 firm to state candidates, elected state officers and committees controlled by or primarily formed  
8 to support such candidates or officers. All of the following must be included for each  
9 contribution:

10           (A) The full name and address of the payee;

11           (B) The full name and address of the recipient of the contribution if other than the payee;

12           (C) In the case of a non-monetary contribution, a description of the goods or services or  
13 other consideration provided; and

14           (D) The amount and date of the contribution. If the lobbying firm or a committee  
15 sponsored by the lobbying firm keeps records and files campaign statements with the Secretary  
16 of State pursuant to Chapter 4 of the Political Reform Act, no records are required by this  
17 subsection; and

18           (3) All payments to any other lobbying firm with which the lobbying firm subcontracts.  
19 All of the following must be included for each payment:

20           (A) The full name of the subcontractor;

21           (B) The full name of the person for whom the subcontractor was retained to lobby; and

22           (C) The date and amount of the payment.

1           (c) A lobbying firm shall maintain source documents to substantiate the information  
2 required by this regulation, including:

3           (1) Bank and credit card records evidencing payment or receipt, such as bank statements,  
4 cancelled checks or legible images of cancelled checks, credit card statements and credit card  
5 receipts;

6           (2) Records of goods or services received or provided, such as receipts, invoices,  
7 contracts, and agreements; and

8           (3) Correspondence and communications substantiating the receipts or disbursements.

9           (e) If a lobbying firm is unable to obtain a source document to substantiate an activity  
10 expense, the firm shall prepare a written dated voucher, or annotated receipt or invoice,  
11 documenting the required information as soon as practicable after the activity expense is made.

12           (f) All records which must be kept by virtue of this regulation shall be maintained for a  
13 period of five years from the date of the lobbying firm's final report for the calendar year for  
14 which the activities were reported pursuant to Government Code Section 86114.

15 Note: Authority cited: Section 83112, Government Code. Reference: Sections 86110 and  
16 91000.5, Government Code.