

# State of California

90001



## Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 ••• 1100 K STREET BUILDING, SACRAMENTO, 95814

October 27, 1976

Dan Converse  
Franchise Tax Board  
1001 G Street  
Suite 201  
Sacramento, California 95814

A-76-562

Dear Mr. Converse:

This letter confirms several telephone conversations between members of the Commission staff and Elizabeth Parker, a member of your staff, concerning the California Federation of Republican Women.

On semi-annual campaign statements covering calendar year 1975, the Federation reported total receipts of \$32,447 and total disbursements of \$29,036. Such activity would appear to make the organization subject to the mandatory audit provisions of Government Code Section 90001(e) which requires the Franchise Tax Board to conduct an audit of each committee "which the Franchise Tax Board determines has spent more than ten thousand dollars (\$10,000) during any calendar year." However, upon further examination of the reports, your staff concluded that the Federation had disclosed receipts and disbursements that are not required to be reported and that their political activity, if any, was minimal. After examining the campaign statements, the Commission staff concurs with this view.

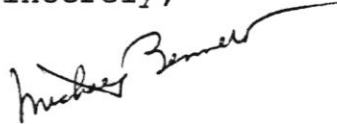
Our conclusion is based, in large part, on the fact that the Federation did not make any contributions or expenditures in support of candidates or ballot measures during the entire year. Disbursements appear to be routine expenses incurred in carrying on club activities. Moreover, all but \$244 of the receipts were dues payments from members which, under the circumstances, would not appear to be "earmarked for the making of contributions or expenditures," within the meaning of 2 Cal. Adm. Code Section 18215. While the Federation does show a year-end surplus of \$5,142.41, it does not appear that the organization engaged in fundraising to accumulate a "war chest" that would be used to support candidates during the current election year.

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Consequently, it is our view that the California Federation of Republican Women does not come within the scope of Section 90001(e), and that mandatory audit of the organization is not required.

Please contact Natalie West, an attorney with the Commission staff if you have any additional questions.

Sincerely,

A handwritten signature in cursive script that reads "Michael Bennett". The signature is written in dark ink and is positioned above the typed name.

Michael Bennett  
Executive Director

MB:NEW:av

cc: Mrs. A. M. Larkin

William McCormick

