

Memorandum

To : File: Sections 82015; 82030; 84211(q)

Date : 5/9/84

FPPC ADVICE NO. (M) 84-119

From : **FAIR POLITICAL PRACTICES COMMISSION**
Jeanne Pritchard

Subject: Reporting Returned Contributions

At the advice request meeting of May 4, 1984, the staff determined that the following method must be used for reporting contributions which are received by a candidate or committee and then returned to the contributor:

Contributions which are received and either cashed, deposited or negotiated, or are not returned to the contributor during the period covered by the next campaign statement must be reported in the following manner:

If the contribution is returned to the contributor within 30 days of receipt, the receipt of the contribution is itemized on Schedule A, and immediately following the itemization indicate that the contribution has been returned, and enter the amount as a negative figure in the "Amount" column.

If the contribution is NOT returned to the contributor within 30 days of receipt, the receipt of the contribution is itemized on Schedule A. (A notation may be added that the contribution has been returned; see Schedule E.) On Schedule E, itemize the payment to the contributor; in the "Description of Payment" column, indicate that it is a return of a contribution reported on Schedule A; and enter the amount in the "Amount Paid" column.

Reporting by the Contributor: If the contributor is a candidate or committee, the contribution must be reported. If the return of the contribution is received within 30 days, the return may be shown as a negative itemization following itemization of the contribution. If not received within 30 days, the returned contribution must be treated as income to the contributor.

State of California



Fair Political Practices Commission

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(916) 322-5662 322-5660 322-5901 322-6441

May 10, 1984

Jack C. Parnell
99900 Mt. Vernon Road
Auburn, CA 95603

Re: FPPC No. GC-84/148,
Jack Parnell

Dear Mr. Parnell:

The Commission staff has received a complaint that you did not report a \$5,000 contribution that you made to the Deukmejian campaign which was later returned to you. We have talked to the Deukmejian Committee about this and have been told that your \$5,000 contribution was deposited, and that a \$5,000 committee check was later issued to "return" your contribution. Assuming that what we have been told about the \$5,000 contribution is true, you have an obligation to report the contribution in the manner described below.

Government Code Section 84211(q) provides that a contribution which is not cashed, deposited or negotiated, and which is returned before the closing date of the filing period, does not have to be reported at all. However, a contribution which is cashed or deposited before being returned must be reported as a contribution by the recipient and, in some cases, by the contributor.

Your \$5,000 contribution qualifies you as a "major donor," Government Code Section 82013(c). Therefore you must file a campaign statement for the period in which you made this contribution. You will also have to report any other campaign contributions you made in 1984.

In this instance, you may report the \$5,000 contribution, and, immediately beneath that item, you may report the return of the contribution as a negative amount, thus cancelling out the contribution. However, in the future, you may not report the return of a contribution which has been cashed or deposited in this manner unless the contribution is returned within 30 days.

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You do not have to report the return of the \$5,000 contribution as income or a gift on your Statement of Economic Interests. However, in the future, if a campaign contribution is cashed or deposited, and then returned more than 30 days later, you will have to report the return on your Statement of Economic Interests.

If you need more information about your major donor report, please call our Technical Assistance and Analysis Division at (916) 322-5662.

Please send a copy of your major donor statement to Roger Brown, Chief, Enforcement Division, Fair Political Practices Commission, 1100 K Street, P.O. Box 807, Sacramento, California 95804, as soon as it is filed so we can close our file on this matter.

Very truly yours,


Barbara A. Milman
General Counsel

BAM:plh