California
Fair Political
Practices Commission

September 26, 1990

Duane K. Brown
Campaign Director
Californians for Connolly
P.O. Box 21265
El Cajon, CA 92021

Re: Your Request for Advice
Our File No. A-90-572

Dear Mr. Brown:

You have requested advice on behalf of Assembly candidate Thomas M. Connolly, III regarding the campaign provisions of the Political Reform Act (the "Act").[1/]

QUESTION

Under what circumstances does the Act permit a candidate's controlled committee to establish a petty cash fund or to reimburse a campaign volunteer for expenditures made from personal funds?

CONCLUSION

Proposition 73, as it was passed by the voters in June of 1988, required all campaign-related expenditures made by a candidate to be made from a campaign bank account and made no provision for reimbursement of personal expenditures for campaign related expenses. However, the Commission has enacted the regulations discussed below which allow for the establishment of a petty cash fund and for reimbursement of expenditures made by persons other than the candidate.

1/ 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.

ANALYSIS

Regulation 18526 (copy enclosed) allows reimbursements for campaign related expenses from the campaign account to: campaign volunteers, paid employees of the campaign (other than the candidate), and agents or independent contractors who have a written agreement with the committee providing for such reimbursement. The treasurer must be provided with a dated receipt and a written description of each expenditure prior to reimbursement and the reimbursement must be paid within 45 calendar days of the time the person to be reimbursed made the payment. If the reimbursement is not paid within 45 calendar days, the amount of the expenditure may not be reimbursed and must be reported as an in-kind contribution for the period in which the reimbursement should have been reported. In addition, the person to be reimbursed may not contribute any amount which, when combined with any outstanding reimbursements, would exceed the contribution limits. There is no limit on the amount which can be reimbursed.

Regulation 18524(d) (copy enclosed) provides that a candidate may establish one petty cash fund at each campaign office. No more than $100 may be deposited in the petty cash account at any time, and no expenditure totaling $100 or more may be made from a petty cash account.

A copy of your letter is enclosed for your convenience.

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

Sincerely,

Scott Hallabrin
Acting General Counsel

Wayne Imberi

By: Wayne P. Imberi
Political Reform Consultant

Enclosures