California Fair Political Practices Commission

Frequently Asked Questions: Form 700 Disclosure

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10. Q. If an official and their spouse have a legally separate property agreement (e.g., prenuptial), must the official still report

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- 39. Q. May an official accept travel, lodging and subsistence from a foreign sister city while representing the official's home city?
 - A. Yes. If the travel and related lodging and subsistence is paid by a foreign government and is reasonably related to a legislative or governmental purpose, it is not subject to the gift limit. However, the payments must be disclosed as gifts on the Form 700 for this exception to apply. While in the foreign country, any personal excursions not paid for by the official must also be disclosed and are subject to the gift limit. If private entities make payments to the foreign government to cover the travel expenses, the gift limit will apply and travel payments will likely be prohibited. Please contact the FPPC for more information.
- 40. Q. An analyst for a state or local agency attends a training seminar on the new federal standards related to the agency's regulatory authority. If the analyst's travel payments are paid by the federal agency, must the analyst report the payment on the Form 700?
 - A. No. A payment for travel and related per diem received from a government agency for education, training, or other inter-agency programs or purposes, is not considered a gift or income to the official who uses the payment.
- 41. Q. A state legislator and a planning commissioner were guest speakers at an association's event. Travel expenses were paid by the association, and the event was held in the United States. Is this reportable?
 - A. Yes. The payment is reportable, but not subject to the gift limits. In general, an exception applies to payments for travel within the United States that are provided to attend a function where the official makes a speech. These payments are not limited, but are reportable as gifts. The rules require that the speech be reasonably related to a legislative or governmental purpose, or to an issue of state, national, or international public policy; and the travel payment must be limited to actual transportation and related lodging and subsistence the day immediately preceding, the day of, and the day immediately following the speech. (See Government Code Section 89506. Other rules may be applicable if this exception is not used.)
- 42. Q. An official serves as a board member for two organizations one has a 501(c)(3) tax-exempt status and the other has a 501(c)(6) tax-exempt status. The organizations pay the official's travel expenses to attend board meetings. Must the official report these travel payments?
 - A. Under the Act, travel payments provided to an official by a 501(c)(3) organization are exempt from the definition of "income" and therefore, not reportable. However, travel payments from other organizations, including a 501(c)(6) organization, are likely required to be reported. Designated employees must report such travel payment if the organization is reportable pursuant to the official's disclosure category in their agency's conflict of interest code.
- 43. Q. The local airport authority issues a certain number of airport parking cards to the County to allow the cardholders to use the parking facilities at the airport at no change, provided the cardholder is on official business. Must the officials who use the parking cards report a gift on the Form 700?
 - A. No. As long as the parking cards are used for official business only, the parking cards do not provide a personal benefit, so no gift is received. If a parking card is used for *personal* purposes, a gift must be reported.

Tickets to Non-Profit and Political Fundraisers Questions

- 44. Q. An official is offered a ticket from a 501(c)(3) organization to attend its fundraising event. The face value (price) of the ticket is \$500, and the ticket states that the tax deductible portion is \$350. If the official accepts the ticket, what must be reported?
 - A. Nothing is required to be reported on the Form 700, so long as the ticket is provided directly by the 501(c)(3) organization for its own fundraising event and is used for the official's own attendance at the fundraiser. In this case, the ticket is deemed to have no value. The official may also accept a second ticket provided directly by the 501(c)(3) organization for their guest attending the event, without a reporting obligation by either the official or the guest.
- 45. Q. What if someone purchases a table at a non-profit fundraiser and offers an official a seat at the table?
 - A. If another person or entity provides a ticket, it is a gift and subject to the gift limit. The value is the non-deductible portion on the ticket. If there is no declared face value, then the value is the pro- Q.

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- 49. Q. A political party committee is holding a political fundraiser at a golf course and a round of golf is included. If the committee provides an elected official a ticket, is the ticket reportable by the official?
 - A. No, so long as the official uses the ticket for their own use. If someone other than the political party provides a ticket, the full cost of the ticket is a gift. The political party must report the total amount spent on the fundraiser on its campaign statement.
- 50. Q. If a business entity offers an official a ticket or a seat at a table that was purchased for a political fundraiser, what is the value?
 - A. Because the ticket was not offered by the campaign committee holding the fundraiser, it is a gift to the official. The value is either the face value of the ticket or the pro-rata share of the food, catering services, entertainment, and any additional benefits provided to attendees.
- 51. Q. If an official attends an event that serves only appetizers and drinks, does the "drop-in" exception apply no matter how long the official stays or how many appetizers or drinks are consumed?
 - A. No. The focus of the "drop-in" exception is on the official's brief attendance and limited consumption, not on the nature of the event as a whole. If an official attends an event that serves only appetizers and drinks, the "drop-in" exception applies only