

# Limitations and Restrictions on Gifts, Honoraria, Travel and Loans

A Fact Sheet For

- Elected State Officers and Candidates for Elective State Office
- Members of State Boards and Commissions
- Designated Employees of State Government Agencies
- State Officials Who Manage Public Investments

California Fair Political  
Practices Commission

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# Gifts

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## Limitations

Elected state officers, candidates for elective state office, and other state agency officials and employees are subject to two gift limits:

1. **\$10 Lobbyist Gift Limit.** Elected state officers, candidates for elective state office, and most legislative employees may not accept gifts aggregating to more than \$10 in a calendar month either from or arranged by any single registered state lobbyist or lobbying firm. State agency officials, including board and commission members, officials who manage public investments, and employees, may not accept gifts aggregating to more than \$10 in a calendar month either from or arranged by a single registered state lobbyist or lobbying firm if the lobbyist or firm is registered to lobby the official or employee agency. (Sections 4ed.9 ?Tc O Tw 3.398 08.036 tnst d [45tng

## Source of Gift

Under most circumstances, it is clear who the source of a gift is, but if the circumstances indicate that the gift is being provided by an intermediary, the public official must determine both the donor and the intermediary in reporting the gift. Regulation 18945 provides the rules for determining the source of the gift.

## Gifts from Multiple Sources

In determining the cumulative value of any reportable gifts, separate gifts from an individual and an entity that the individual controls must be aggregated as one source to which the reporting and limit requirements apply. For example, separate gifts from the owner of a company and from the company itself would be treated as if from one source if the owner has more than a 50 percent interest in the company, unless the making of the gift was determined by someone else in the company. In that case, the gift from the company would be aggregated with any gifts made by that determining individual. (Regulation 18945.1.)

Group gifts, where a public official receives a single gift from multiple donors (such as a retirement gift from coworkers), need not be reported unless any person contributes \$50 or more to the total cost of gift. In that case, the public official would only report a gift from each of those persons. (Regulation 18945.2.)

## Valuing Gifts

The general rule for determining the value of a gift is to apply the fair market value at the time the gift is received. Fair market value can be determined by finding any local or Internet advertisement for the item. Special exceptions to the fair market value rule are contained in Regulations 18946.1 through 18946.5 covering admission to ticketed and invited events, wedding gifts, attendance at nonprofit and political fundraisers, and air travel. (Regulation 18946.) For example, for ticketed events, the value is the face value of the ticket.

## General Gift Exceptions

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$50 Gift Limit	Lobbyist \$10 Limit
No	No	No	No	No

The following payments are exceptions to the definition of gift and are not considered gifts or income.

- 1. Return or Reimbursement of Gift.** Items that are returned (unused) to the donor, or for which the public official reimburses the donor, within 30 days of receipt. (Section 82028(b)(2); Regulation 18941.)
- 2. Donation of Gift to Nonprofit Group.** Items that are donated (unused) to a nonprofit, tax-exempt (501(c)(3)) organization in which the official (or immediate family member) does not hold a position, or to a government agency, within 30 days of receipt without claiming a deduction for tax purposes. (Section 82028(b)(2); Regulation 18941.)
- 3. Gifts from Family.** Gifts from the public official's family members. (Section 82028(b)(3); Regulation 18941.)

4.



4. **Dating Relationship.** Personal benefits commonly received from a dating partner. These gifts are disclosable or limited but are subject to disqualification under the conflict of interest laws if the dating partner is a lobbyist or an individual who files lobbying reports and is registered to lobby the official's agency, or is an individual who otherwise has business before the official as set forth in Regulation 18942(a)(18)(D). (Regulation 18942(a)(18)(A).)

5. **Acts of Human Compassion.** Assistance, financial or otherwise, to offset family medical or living expenses that the official can no longer meet without private assistance because of an accident, illness, employment loss, death in the family, or other unexpected calamity; or to defray expenses associated with humanitarian efforts such as the adoption of an orphaned child, so long as the source of the benefit is an individual who has a prior social relationship with the official of the type where it would be common to provide such assistance, or the payment is made without regard to official status under other circumstances in which it would be common to receive community outreach. (Regulation 18942(a)(18)(B).) This exception does not apply if the person providing the benefit to the official is a lobbyist or an individual who files lobbying reports and is registered to lobby the official's agency, or is an individual (a)(TJ

## Agency Reports

Reporting	C/I § 87100	Honoraria Ban	\$520 Gift Limit	Lobbyist \$10 Limit
Yes - On 801 or 802	No	No	No	No

The following exceptions are also applicable to payments made to a government agency that are used by officials in the agency under certain conditions to conduct agency business. These types of payments are not treated as gifts or income to the officials who use them, so long as the payments meet certain conditions and they are reported by the officials' agency. These reports must appear on either a Form 801 or Form 802, instead of the official reporting the items on a statement of economic interests (Form 700).

**Form 801 – Payment to Agency Report:** This form covers gifts or donations made to an agency and used by one or more officials in the agency for agency business. This may include travel payments, reimbursements, or other uses by an official, but ~~not~~ cover tickets or passes providing admission to an entertainment or sporting event, which are reported on the Form 802 (discussed below). If the payment meets the requirements of Regulations 18944 or 18950.1, the agency must report it on a Form 801 and the item is not reported on the individual's statement of economic interests (Form 700). (Regulations 18944 and 18950.1.)

**Form 802 – Agency Report of Ceremonial Role Events and Ticket/Pass Distributions :** This form covers gifts or donations made to an agency that provide tickets or passes to an agency official for admission to an entertainment or sporting event. For the ticket or pass to be exempt from reporting on the individual's statement of economic interests (Form 700), the agency must have a written policy stating the public purpose for distribution of the tickets. The ticket or pass cannot be earmarked by the original source for use by a particular agency official and the agency must determine, in its sole discretion, which official may use the ticket or pass. (Regulation 18944.1.) The Form 802 is also used to report tickets provided for officials who perform a ceremonial role on behalf of the agency.

## Behested Payments Reports

Reporting	C/I § 87100	Honoraria Ban	\$520 Gift Limit	Lobbyist \$10 Limit
Yes - Form 803 Behested Payment	No	No	No	No

**Behested Payments.** Generally, payments made at the behest of an official that do not confer a personal benefit on an official such as those made by a third party ~~to~~ sponsor an event, or that are principally legislative, governmental or charitable in nature, are not ~~gifts~~. However, when an elected officer or member of the Public Utilities Commission is making the behest, in some cases these payments may be considered behested payments under Section 82004.5 and require disclosure by that elected officer or member.

### Form 803 – Behested Payment Report :

- Behested payments are payments made principally for legislative, governmental, or charitable purposes. These payments are not for personal or campaign purposes. For example, an elected official may ask a third party to contribute funds to a school in his district, or to ~~help~~ a fair or fair.
- Generally, a donation will be made at the behest if it is requested, solicited, or suggested by the elected officer or member of the Public Utilities Commission, or otherwise ~~in person~~.





# Honoraria

What is an “Honorarium”?

An honorarium is any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering. An honorarium includes gift cards or any gift of more than nominal benefit provided in connection with an activity described above. An honorarium does not include items of nominal value such as a pen, pencil,





7. **Travel Payments Fulfilling Terms of Contract.** Payments made to a governmental entity for travel expenses that are required to fulfill the terms of a contract. Neither the governmental entity nor the public

# Loans

Personal loans received by certain state officials are subject to limits and other restrictions, and in some circumstances, a personal loan that is not being repaid or is being repaid below amounts may become a gift to the official who received it.

Limitations on Loans from Agency Officials, Consultants, and Contractors 19.2058.1 (ome)p(f)-1.1 (ff)-1.1 saltr a

