

**CITY OF IMPERIAL BEACH
PARKS AND RECREATION COMMITTEE**

A G E N D A

NOVEMBER 17, 2014

**City of Imperial Beach Council Chambers
825 Imperial Beach Boulevard
Imperial Beach, CA 91932**

SPECIAL MEETING – 4:30 p.m.

The Parks and Recreation Committee for the City of Imperial Beach is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at meetings, please contact the City Clerk's (619) 628-2347, as far in advance of the meeting as possible.

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENTS - Each person wishing to address the Parks and Recreation Committee regarding items not on the posted agenda may do so at this time. In accordance with State law, the Parks and Recreation Committee may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to City staff or placed on a future agenda.

4. WELCOME AND STAFF COMMENTS

5. REPORTS

A. INTRODUCTIONS AND ADMINISTER OATHS OF OFFICE TO PARKS AND RECREATION COMMITTEE MEMBERS.

Recommendation: Following introductions of committee members, the City Clerk of the City of Imperial Beach administers Oaths to the Parks and Recreation Committee members.

B. SELECTION OF A CHAIR AND DESIGNATION OF THE TIME AND PLACE FOR HOLDING MEETINGS.

Recommendation:

1. Select a chair for the Parks and Recreation Committee;
2. Discuss the merits of a vice chair and, if desired, select a vice chair; and
3. Designate a time and place to hold meetings of the Parks and Recreation Committee.

C.* PRESENTATION ON KEY LEGAL ISSUES FOR BOARD AND COMMISSION MEMBERS INCLUDING ECONOMIC DISCLOSURES (FORM 700), CONFLICTS OF INTEREST AND THE BROWN ACT.

* No staff report.

6. ADJOURNMENT

_____/s/
Jacqueline M. Hald, MMC
City Clerk

For your convenience, a copy of the agenda and meeting packet may be viewed in the office of the City Clerk at City Hall or on our website at www.ImperialBeachCA.gov. Go to the Imperial Beach Parks and Recreation Committee Page located under the Government Section/City Boards and Committees Tab.

Any writings or documents provided to a majority of the Parks and Recreation Committee regarding any item on this agenda will be made available for public inspection in the office of the City Clerk located at 825 Imperial Beach Blvd., Imperial Beach, CA 91932 during normal business hours.



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: CHAIR AND MEMBERS OF THE PARKS AND RECREATION COMMITTEE

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: NOVEMBER 17, 2014

ORIGINATING DEPT.: CITY CLERK *JMH*

SUBJECT: INTRODUCTIONS AND ADMINISTER OATHS OF OFFICE TO PARKS AND RECREATION COMMITTEE MEMBERS

EXECUTIVE SUMMARY:

Introductions of the Parks and Recreation Committee (PRC) members and City staff, followed by Oaths of Office of PRC members.

BACKGROUND:

The Parks and Recreation Committee shall consist of five (5) members appointed in accordance with Chapter 2.18 of the Imperial Beach Municipal Code. Although there is no specific selection criteria the Mayor will consider the following in the identification of potential members for consideration:

A cross section of the community should be represented including youth and senior populations, active and passive recreation enthusiasts, and individuals familiar with recreation programming and community resources. Additionally, the City Council may delegate particular issues or a general work plan for review and make recommendations within the time limits set out in the resolution by the City Council.

On October 1, 2014, City Council approved the Mayor's recommended appointments to the PRC for terms of office in accordance with I.B.M.C. 2.24.080 as follows:

(2) terms of office expiring on December 31, 2015:

- Ken Blinsman
- Marc Stephenson

(3) terms of office to expiring on December 31, 2016:

- Robin Klosinski
- Tim O'Neal
- Lori Joan Stucki

City Council also approved Mayor's recommendation to appoint the following alternates with terms expiring December 31, 2015 as voting members in the event that primary members are unable to attend meetings:

- Marcy Aguilar - 1st Alternate
- Peter Salisbury - 2nd Alternate
- Molly Goforth - 3rd Alternate

ANALYSIS:

In accordance with Article XX, Section 3, of the Constitution of the State of California, the PRC members shall, before they enter upon the duties of their respective offices, take and subscribe the Oath for public officers.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

None.

RECOMMENDATION:

Following introductions of committee members, the City Clerk of the City of Imperial Beach administers Oaths to the Parks and Recreation Committee members.



AGENDA ITEM NO. 5.B

STAFF REPORT
CITY OF IMPERIAL BEACH

TO: CHAIR AND MEMBERS OF THE PARKS AND RECREATION COMMITTEE

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: NOVEMBER 17, 2014

ORIGINATING DEPT.: CITY CLERK *JMA*

SUBJECT: SELECTION OF A CHAIR AND DESIGNATION OF THE TIME AND PLACE FOR HOLDING MEETINGS

EXECUTIVE SUMMARY:

Staff recommends that the Parks and Recreation Committee select a chair and vice chair, if desired, and designate the time and place for holding meetings.

BACKGROUND:

The committee may prepare and adopt rules and regulations for the internal governing of its business including the selection of a chair and designate the time and place of holding meetings.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

None.

RECOMMENDATION:

1. Select a chair for the Parks and Recreation Committee;
2. Discuss the merits of a vice chair and, if desired, select a vice chair; and
3. Designate a time and place to hold meetings of the Parks and Recreation Committee.

DO'S AND DON'TS FOR CITY BOARD AND COMMISSION MEMBERS

November 2014

Economic Disclosure (Form 700)

- DO timely file your assuming office, annual and leaving office statements
- DO consult your conflict of interest code disclosure category and Form 700 instructions to determine what to disclose
- DO err on the side of disclosure
- DON'T disclose your personal residence address – it is exempt from disclosure
- DO keep a running file regarding matters such as gifts to make annual reporting easier
- DON'T accept more than \$440 in annual gifts from a single source that is within your disclosure category
- DO use the City Attorney, Assistant City Attorney, City Clerk, and/or FPPC (1-866-ASK-FPPC) as resources

Conflict of Interest

- DO watch out for upcoming agenda items related to your economic interests
- DON'T participate in any way if you are disqualified from a matter – including discussion of the matter with staff or other board members outside of the meeting
- DO seek advice from the City Attorney, City Clerk, and/or FPPC (1-866-ASK-FPPC) on potential disqualification as soon as you identify an issue
- DO take special care to avoid conflict issues involving contracts, which are the most serious form of a conflict of interest
- DO participate in ethics and conflicts of interest training every two years

Brown Act – Open Meetings Law

- DON'T allow informal or social gatherings to become “meetings” subject to noticing and open meeting requirements
- DON'T allow a series of one-on-one contacts (including phone calls, emails or texts) to turn into a “serial meeting”
- DO hold all meetings at a location within the City of Imperial Beach
- DO allow the public access to all meetings other than approved closed sessions
- DO provide a time for non-agenda public comment on each regular meeting agenda
- DON'T discuss items of business that are not listed on the agenda
- DON'T require meeting attendees to sign an attendance list or sign up sheet (use of a voluntary sign up sheet is permissible)
- DO make available for public inspection all recordings of meetings, and all documents distributed to board members during meetings

Disclaimer: This is a brief summary of some key legal issues applicable to board and commission members, for discussion purposes only. Many exceptions and variations to these general rules exist. Please seek individual advice if you have questions about any of these issues.

HIGHLIGHTS OF THE BROWN ACT
City of Imperial Beach Parks & Recreation Committee
November 2014

Presented by
McDougal, Love, Eckis, Boehmer & Foley

Purpose

The Ralph M. Brown Act (Brown Act), California Government Code Sections 54950-54963, provides that all meetings of a legislative body of a local agency shall be open and public, and all persons shall be permitted to attend the meetings. The Brown Act is interpreted by the courts in a way that strongly favors open and public meetings. Although exceptions to the open meeting rules exist, they are interpreted narrowly.

Who is Covered by the Act? – Legislative Body of a Local Agency

The Brown Act defines “legislative body” broadly to include the governing body of a local agency, and includes councils, boards, commissions, standing committees, advisory committees, task forces and “blue ribbon” committees. (GC § 54952.) Newly elected or appointed members of legislative bodies who have not yet assumed office are also covered by the Brown Act. (GC § 54952.1.)

The Parks & Recreation Committee is required to comply with the Brown Act per Imperial Beach Municipal Code Section 2.20.020.

The meetings of “ad hoc” advisory committees, comprised of less than a quorum of the board or commission, are not subject to the noticing and agenda requirements of the Brown Act. (GC § 54952(b)). “Ad hoc” subcommittees are those that are used for a limited purpose over a limited period of time. Examples include ad hoc committees formed to make budget recommendations, draft by-laws or policies and procedures, or other similar temporary assignments.

What is a Meeting for Purposes of the Brown Act?

Government Code Section 54952.2(a) of the Brown Act defines “meeting” as “any congregation of a majority of the members of the legislative body at the same time and location . . . to hear, discuss, deliberate or take action on any item that is within the subject matter jurisdiction of the legislative body.”

This definition is not limited to gatherings where action is taken, but also to gatherings involving only discussion or deliberation. “Deliberation” has been interpreted broadly by the courts to include information gathering sessions. *216 Sutter Bay Associates v. County of Sutter* (1997) 58 Cal. App. 4th 860.

“Serial meetings” are a potential problem area under the Brown Act. Except for teleconferencing that meets certain noticing requirements, the Act prohibits using “a series of communications of any kind, directly or through intermediaries, to discuss, deliberate or take action on any item of business.” (GC § 54952.2(b).) Individual contacts, including electronic mail, text, or phone contacts that occur in a series, may result in consensus being reached by a majority of members on an item of business. These types of contacts can result in a violation of the Act and should be avoided.

It should be noted that a “meeting” only occurs when an “item of business” is being discussed. It is generally accepted that communications regarding purely procedural matters (such as the time and date for scheduling an event or meeting) do not violate this rule.

“Meeting” Exceptions (GC § 54952.2(c)):

1. Individual Contacts. The Brown Act does not cover individual contacts between a member of a legislative body and other persons. The exception recognizes the right to confer with constituents, advocates, consultants, reporters, local agency staff, or a single colleague. However, as discussed above, individual contacts cannot be used in stages to form a consensus between a majority of members on an item of business.
2. Conferences. The majority of a legislative body can attend a conference or similar gathering; open to the public, but cannot discuss official business among themselves.
3. Community Meetings. The majority of a legislative body can attend an open and publicized meeting organized by another organization, as long as official business is not discussed among the members at the gathering.
4. Other Agency Meetings. A legislative body majority may attend an open and noticed meeting of another body of the local agency or another agency (such as the City Council) as long as official business is not discussed among the members while attending the meeting.
5. Social or Ceremonial Events. A majority of the legislative body may attend a purely social or ceremonial event if official business is not discussed among the members at the event.

Note: there is no exception that allows a majority of a legislative body to meet together with staff in advance of a meeting for a collective briefing on the agenda or an item of business. The open meeting requirements also apply to retreats, study sessions and workshops.

What is Required for an “Open and Public” Meeting?

There are two essential elements for an open and public meeting under the Brown Act: (1) effective notice; and (2) an agenda that adequately describes the items to be considered.

1. Regular Meetings. Regular meetings are those meetings for which the time and place are provided for by resolution, ordinance, bylaws, or other rule of business. For regular meetings, an agenda must be posted at least 72 hours in advance of the meeting in a location freely accessible to the members of the public. The agenda must include: (1) a brief description of items to be discussed/business to be transacted, generally not exceeding 20 words; (2) time and location of the meeting. (GC § 54954.2(a).)
2. Special Meetings. In addition to regularly scheduled meetings, the legislative body may hold additional “special” meetings. Special meetings may be called by the presiding officer or a majority of the members. A written notice must be sent to each member of the legislative body, to each local newspaper of general circulation, and to other media outlets which have made a written request to receive such notices. Additionally, the notice with the time and place for the meeting must be posted in a location freely accessible to the public at least 24 hours in advance of the meeting. (GC § 54956.)
3. Emergency Meetings. An agency can hold an emergency meeting when prompt action is needed due to the actual or threatened disruption of public facilities. An “emergency situation” exists if there is a work stoppage, crippling disaster or other activity that seriously impairs the public health, safety, or both. (GC § 54956.5.) A majority of the legislative body must determine that an emergency exists to hold a meeting or discuss a non-agenda item as an emergency matter. (GC § 54954.2(b)(2).)

Rights of the Public to Attend and Participate

A number of the Act’s provisions relate to the rights of the public to attend and participate in meetings.

1. Attendance. Members of the public must be allowed to attend meetings of the legislative body and cannot be required to register their names, fill out a questionnaire, or have any other condition imposed in order to attend. (GC § 54953.3.) However, persons who are disruptive to the proceedings may be removed. (GC § 54957.9.)
2. Recording. Members of the public must be allowed to make recordings of the meeting, as long as the recording is not disruptive. (GC § 54953.5.)

3. Public Testimony. Every regular meeting agenda must allow for members of the public to speak on any item of interest within the subject matter jurisdiction of the legislative body (sometimes called “Public Comment” or “Oral Communications.”). Non-agenda comment is not required at special meetings. Public testimony regarding agenda items must be allowed at both regular and special meetings before or during the consideration of the agenda item. Reasonable regulations, such as time limits, may be adopted for public testimony. (GC § 54954.3.) The legislative body cannot prohibit public criticism of policies, procedures, programs, or services of the agency or acts or omissions of the legislative body. (GC § 54954.3.)
4. Secret Ballots. No secret ballots are allowed during open and public meetings. (GC § 54953(c).)

Permissible Closed Sessions

The Brown Act allows several exceptions to the open meeting requirement, allowing for closed sessions on specific subject matters that are confidential or sensitive. These exceptions are interpreted narrowly by the courts. The primary subject matters which can be discussed in closed session are:

1. Limited personnel matters. Includes appointment, evaluation, discipline, or dismissal of public employees. Compensation, job classifications, and other items not specifically set forth as allowed for closed session are items to be discussed in an open session. This exception includes contractors who function as officers or employees (such as a contract city attorney), but does not apply to elected officials, appointees to subsidiary bodies, or contractors who do not function as employees. (GC § 54957.)
2. Litigation. Closed sessions are allowed for conferring with legal counsel regarding existing litigation or threatened litigation, or potential litigation to be initiated by the agency. (GC § 54956.9.)
3. Real estate negotiations. (GC § 54956.8.)
4. Labor negotiations. (GC § 54957.6.)
5. Public security. Covers issues involving threats to security of public buildings or to essential services. (GC § 54957.)

Closed sessions may only be attended by members of the legislative body and necessary support staff with an official role advising the body regarding the closed session item. Additionally, the posted agenda for the closed session must include the legal authority for the closed session and a brief description of the item which is the subject of the session. Following some closed session items (generally those where

final action has been taken), a public report of the results of the closed session must be made. (GC § 54957.1.)

Remedies for Violations

Civil and criminal penalties are provided in the Brown Act, as well as invalidation of some actions taken in violation of the law. The District Attorney can prosecute violations, and any private citizen can file a civil suit related to a violation. Prior to bringing a civil suit, a citizen must provide the legislative body with an opportunity to cure its actions. (GC § 54960.1.) A person who successfully enforces one of the Brown Act remedies may seek court costs and reasonable attorney's fees. The public agency may recover fees and costs if the court finds the lawsuit to be clearly frivolous and lacking in merit. (GC § 54960.5.)

Miscellaneous Issues

1. Items not on the Agenda. The legislative body may not discuss or take action on items not included on the agenda. In response to public comment on non-agenda items, members may make brief comments such as to indicate that a subject will be included on a future agenda but may not take any action. (GC § 54954.2(a).)

An exception to this rule applies if two-thirds of the members present determine that there is an urgent need to take action on an item which came to the attention of the members after the meeting agenda was posted. Taking action on a non-agenda item is subject to challenge and should be approached with caution. (GC § 54954.2(b).)

2. Location of Meetings. According to the Brown Act, all of the legislative body's meetings must be held within the boundaries of the legislative body's jurisdiction. (GC § 54954(b).) There are some narrow exceptions, including one that allows a member to participate by teleconferencing if certain conditions are met, including: 1) a quorum of the legislative body is present in the jurisdiction; 2) the teleconference location is made available to the public; 3) the specific teleconference location is identified on the agenda; 4) an agenda is posted at the teleconference location, even if it is a hotel room or residence; 5) each teleconference location must have technology, such as a speakerphone, to allow the public to participate from that location; and 6) all votes must be by roll call. (GC § 54953(b)(1).)

All meetings of the legislative body must be held in locations which are accessible to persons with disabilities pursuant to the Americans with Disabilities Act of 1990. (GC § 54953.2.)

3. Records and Documents. The public has a right to review any documents distributed to a majority of the members of the legislative body except for

privileged documents. The records must be made available to the public for inspection and copying, for a reasonable fee. The timeline for making records available to the public depends on who prepared them. For agency prepared records, the records must be made available to the public at the meeting, but for records prepared by third parties, the records can be made available after the meeting. (GC § 54957.5.) If documents related to the agenda are distributed to the legislative body less than 72 hours prior to the meeting, the documents must be made available for public inspection at the same time they are distributed to the legislative body. (GC §54957.5.)



Limitations and Restrictions on Gifts, Honoraria, Travel and Loans

A Fact Sheet For

- ♦ Local Elected Officers and Candidates for Local Elective Offices
- ♦ Local Officials Specified in Government Code Section 87200
- ♦ Judicial Candidates
- ♦ Designated Employees of Local Government Agencies

California Fair Political Practices Commission

Toll-free advice line: 1 (866) ASK-FPPC

Email advice: advice@fppc.ca.gov

Web site: www.fppc.ca.gov

Effective January 2014

Introduction

The Political Reform Act¹ (the “Act”) imposes limits on gifts, prohibits honoraria payments, and imposes limits and other restrictions on the receipt of travel payments received by:

- Local elected officers and other local officials specified in Government Code Section 87200,² excluding judges;³
- Designated employees of local government agencies (i.e., individuals required to file statements of economic interests under a local agency’s conflict of interest code); and
- Candidates⁴ for any of these offices or positions and judicial candidates. (Sections 89502 and 89503.)

The Act also imposes limits and other restrictions on personal loans received by certain local officials.

This fact sheet summarizes the major provisions of the Act concerning gifts, honoraria, travel, and loans. You should not, however, rely on the fact sheet alone to ensure compliance with the Act. If you have any questions, contact the Fair Political Practices Commission at (866) 275-3772 or advice@fppc.ca.gov or visit our website at www.fppc.ca.gov. Commission advice letters are available on our website. You may also be subject to local restrictions on gifts, honoraria, or travel.

Enforcement

Failure to comply with the laws related to gifts, honoraria, loans, and travel payments may, depending on the violation, result in criminal prosecution and substantial fines, or in administrative or civil monetary penalties for as much as \$5,000 per violation or three times the amount illegally obtained. (See Sections 83116, 89520, 89521, 91000, 91004 and 91005.5.)

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

² Local officials specified in Government Code Section 87200 include: members of boards of supervisors and city councils, mayors, city/county planning commissioners, city/county chief administrative officers, city/county treasurers, district attorneys, county counsels, city managers, city attorneys, court commissioners and public officials who manage public investments.

³ The gift limits and honoraria ban in the Political Reform Act do not apply to a person in his or her capacity as judge. However, candidates for judicial offices are subject to the restrictions contained in the Political Reform Act. (Sections 89502 and 89503.)

⁴ For purposes of the gift limit and honoraria prohibition, you become a “candidate” when you file a statement of organization (Form 410) as a controlled committee for the purpose of seeking elective office, a candidate intention statement (Form 501), or a declaration of candidacy, whichever occurs first. If you are an unsuccessful candidate, you will no longer be subject to the gift limit and honoraria prohibition when you have terminated your campaign filing obligations, or after certification of election results, whichever is earlier. (Sections 89502(b) and 89503(b).)

Gifts

Limitations

If you are a local elected officer, a candidate for local elective office, a local official specified in Government Code Section 87200, or a judicial candidate, you may not accept gifts from any single source totaling more than \$440 in a calendar year. (Section 89503.)⁵

If you are an employee of a local government agency who is designated in the agency's conflict of interest code, you may not accept gifts from any single source totaling more than \$440 in a calendar year if you are required to report receiving income or gifts from that source on your statement of economic interests (Form 700). (Section 89503(c).)

What is a "Gift"?

A "gift" is any payment or other benefit provided to you that confers a personal benefit for which you do not provide payment or services of equal or greater value. A gift includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public. (Section 82028.) (See Regulation 18946 for valuation guidelines.)

Except as discussed below, you have "received" or "accepted" a gift when you know that you have actual possession of the gift or when you take any action exercising direction or control over the gift, including discarding the gift or turning it over to another person. This includes gifts that are accepted by someone else on the official's behalf and gifts made to others at the direction of the official. (Regulation 18941.)

Gifts to Family Members

Under certain circumstances, a gift to an official's family member* is considered a gift to the official. (Regulation 18943.) Anything given to a family member is presumed to be a gift to the official if: (1) there is no established relationship between the donor and the family member where it would generally be considered appropriate for the family member to receive the gift or; (2) the donor is someone who lobbies the official's agency, is involved in an action before the official's agency in which the official may foreseeably participate, or engages in business with the agency in which the official will foreseeably participate. (Wedding gifts are treated differently, see below.)

*For purposes of this rule, an official's "family member" includes the official's spouse; registered domestic partner; any minor child of the official who the official can claim as a dependent for federal tax purposes; and a child of the official who is aged 18 to 23 years old, attends school, resides with the official when not attending school, and provides less than one-half of his or her own support.

⁵ The gift limit is adjusted biennially to reflect changes in the Consumer Price Index. For 2013-2014, the gift limit is \$440. (Section 89503; Regulation 18940.2.) Gifts from a single source aggregating to \$50 or more must be disclosed, and gifts aggregating to \$440 or more during any 12-month period may subject an official to disqualification with respect to the source. (Section 87103(e).) Designated employees should obtain a copy of their conflict of interest code from their agency. Some conflict of interest codes require very limited disclosure of income and gifts. Gifts from sources that are not required to be disclosed on your Form 700 are not subject to the \$440 gift limit but still may subject you to disqualification.

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, you 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 or where the individual directs the payment of the gift must be aggregated as one source in complying with the reporting and limit requirements. For example, separate gifts from J.R. Ewing and Ewing Oil Company would be treated as if from one source if J.R. owns 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 Ewing Oil would be aggregated with any gifts made by that individual. (Regulation 18945.1.) Group gifts, where you received 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 the gift. In that case, you would only report each of those persons. (Regulation 18945.2.)

Valuation of 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 invitation-only 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	\$440 Gift Limit
No	No	No	No

1. Items that are returned (unused) to the donor, or for which you reimburse the donor, within 30 days of receipt. (Section 82028(b)(2); Regulation 18941.)
2. Items that are donated (unused) to a non-profit, 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 your spouse (or former spouse), child, parent, grandparent, grandchild, brother, sister, current or former parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin or the spouse of any such person, unless he or she is acting as an agent or intermediary for another person who is the true source of the gift. (Section 82028(b)(3); Regulation 18942(a)(3).) This exception includes great grandparents, great uncles and aunts, great nieces and nephews, and first cousins once removed.
4. Informational material provided to assist you in the performance of your official duties, including books, reports, pamphlets, calendars, periodicals, videotapes, or free admission or discounts to informational conferences or seminars.

“Informational material” may also include scale models, pictorial representations, maps, and other such items. However, if the item’s fair market value is more than \$440, you have the burden of demonstrating that the item is informational. In addition, on-site demonstrations, tours, or inspections, including air flights over an area that is the subject of the information and designed specifically for public officials, are considered informational material. However, this exception does not apply to meals or lodging.

Furthermore, the exception generally does not apply to transportation to the site, except for any portion of the transportation that is not commercially available. (Section 82028(b)(1); Regulations 18942(a)(1) and 18942.1.)

5. A devise or inheritance. (Section 82028(b)(5); Regulation 18942(a)(5).)

6. Campaign contributions to an official, including rebates or discounts received in connection with campaign activities (Section 82028(b)(4); Regulations 18942(a)(4), 18950(a) and 18950.3(a)) and permissible expenditures of campaign funds for campaign-related expenses, including payments for transportation, lodging or food (Regulations 18950(a) and 18950.3(b)), provided they comply and are properly reported in accordance with applicable campaign finance laws.

7. Personalized plaques and trophies with an individual value of less than \$250. (Section 82028(b)(6); Regulation 18942(a)(6).)

8. Free admission to a ticketed event (including any benefits included in the price of the ticket such as a free meal) for the official and one guest at an event where the official performs a ceremonial role, such as throwing out the first pitch at a Dodgers' game, so long as the official's agency complies with the posting provisions set forth in Regulation 18944.1(d). (Regulation 18942(a)(13); Regulation 18942.3; also see discussion of Form 802 below under "Gifts Exceptions Requiring Alternate Reporting.")

9. Free admission, and food and nominal items (such as a pen, pencil, mouse pad, note pad or similar item) available to all attendees, at the event at which the official makes a speech (as defined in Regulation 18950(b)(2)), so long as the admission is provided by the person who organizes the event. (Regulation 18942(a)(11).)

10. Benefits received as a guest attending a wedding reception where the benefits are the same as those received by the other guests at the reception. (Regulation 18942(a)(15).)

11. Bereavement offerings, such as flowers at a funeral received in memory of a close family member. (Regulation 18942(a)(16).)

12. Benefits received as an act of neighborliness such as the loan of an item, an occasional ride, or help with a repair where the act is consistent with polite behavior in a civilized society and would not normally be part of an economic transaction between like participants under similar circumstances. (Regulation 18942(a)(17).)

13. Two tickets for admission, for use by only the official and one guest, to attend a fundraiser for a campaign committee or candidate, or to a fundraiser for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The ticket(s) must be received from the organization or committee holding the fundraiser. (Regulation 18946.4.)

14. Passes or tickets that provide admission or access to facilities, goods, services, or other benefits (either on a one-time or repeated basis) that you do not use and do not give to another person. (Regulation 18946.1.)

15. Certain payments for travel as discussed below in the "Travel Payments Exceptions" section.

16. Subject to certain conditions, items provided to a government agency and used by officials in the agency for agency business. This may include passes or tickets to (see Regulation 18944.1) or payments for other types of items or activities (see Regulation 18944). An agency must disclose specified payments on a form provided by the FPPC and post the form on its website. (See discussion of Forms 801 and 802 below under "Gift Exceptions Requiring Alternate Reporting.") Contact the FPPC for detailed information.

17. Leave credits (e.g., sick leave or vacation credits) received under a bona fide catastrophic or emergency leave program established by your employer and available to all employees in the same job classification or position. Donations of cash are gifts and are subject to limits and disclosure. (Regulation 18942(a)(9).)

18. Food, shelter, or similar assistance received in connection with a disaster relief program. The benefits must be received from a governmental agency or charity and must be available to the general public. (Regulation 18942(a)(10).)

19. Items awarded in an employee raffle, received by the agency from an agency employee who is not acting as an intermediary for another donor. This exception applies when an agency holds an employee raffle and the item awarded in the raffle has been obtained with agency funds, or is otherwise an asset of the agency and not donated to the agency by a non-agency source. This exception does not apply to passes or tickets of the type described in Regulation 18944.1. (Regulation 18944.2(a) and (b).)

20. Items received by an employee during an employee gift exchange, so long as the item received is provided by another employee of the agency and the gifts are not substantially disproportionate in value. (Regulation 18944.2(c).)

Limited Gift Exceptions

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
No	No	No	No

1. Gifts of hospitality including food, drink or occasional lodging that an official receives in an individual's home when the individual or a member of his or her family is present. (Regulation 18942(a)(7).) For this exception to apply, the official must have a relationship, connection or association with the individual providing the in-home hospitality that is unrelated to the official's position and the hospitality must be provided as part of that relationship. Generally, this means functions like children's birthday parties, soccer team parties, neighborhood barbecues, etc., where other guests attend who are not part of the lobbying process. (Regulation 18942.2.)

2. Gifts commonly exchanged between an official and another individual on holidays, birthdays, or similar occasions to the extent that the gifts exchanged are not substantially disproportionate in value. (Regulation 18942(a)(8)(A).)

3. Reciprocal exchanges between an official and another individual that occur on an ongoing basis so long as the total value of payments received by the official within the calendar year is not substantially disproportionate to the amount paid by the official and no single payment is \$440 or more. For example, if two people get together regularly for lunches and rotate picking up the lunch tab so that each pays approximately half the total value over the course of the calendar year, no gift need be reported. (Regulation 18942(a)(8)(B).)

4. Personal benefits commonly received from a dating partner. These gifts are not disclosable or limited but are subject to disqualification under the conflict of interest laws if the dating partner has certain 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 donation 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 an individual who otherwise has business before the official as set forth in Regulation 18942(a)(18)(D).

6. Benefits received from a long-time personal friend where the gift is unrelated to the official's duties. The exception does not apply if the individual providing the benefit to the official is involved in some manner with business before the official. (Regulation 18942(a)(18)(C).) This exception does not apply if the person providing the benefit to the official is an individual who otherwise has business before the official as set forth in Regulation 18942(a)(18)(D).

7. Benefits received from an individual where it is clear that the gift was made because of an existing personal or business relationship unrelated to the official's position and there is no evidence whatsoever at the time the gift is made that the official makes or participates in the type of governmental decisions that may have a reasonably foreseeable material financial effect on the individual who would otherwise be the source of the gift. (Regulation 18942(a)(19).)

Gift Exceptions Requiring Alternate Reporting

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes - As Income	Yes	No	No

A prize or award received in a bona fide contest or competition, or game of chance. **Note: Unlike the other exceptions, payments that fall into this exception must be reported as income if valued at \$500 or more.** To qualify for this exception the contest or competition must be unrelated to the official's duties. (Regulation 18942(a)(14).)

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes - On 801 or 802	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: 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 does 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: 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.

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes - Form 803 Behested Payment	No	No	No

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 co-sponsor an event, or that are principally legislative, governmental or charitable in nature, are not gifts. However, when a local elected officer is making the behest, in some cases these payments may be considered “behested payments” under Section 82015(b)(2)(B)(iii) and (b)(3) and require disclosure by that elected officer.

Form 803: Behested payments are payments made principally for legislative, governmental, or charitable purposes. These payments are not for personal or campaign purposes. For example, a local elected official may ask a third party to contribute funds to a school in her district, or to a job fair or health fair. Generally, a donation will be “made at the behest” if it is requested, solicited, or suggested by the elected officer or otherwise made to a person in cooperation, consultation, coordination with, or at the consent of, the elected officer. This includes payments behested on behalf of the elected officer by his or her agent or employee. Behested payments totaling \$5,000 or more from a single source in a calendar year must be disclosed by the official on a Form 803, which is filed with the official’s agency within 30 days of the date of the payment(s). (Section 82015; Regulation 18215.3.)

Very Limited Gift Exception

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes - ½ value as gift	Yes	No	No

Wedding gifts are not subject to the \$440 gift limit. However, wedding gifts are reportable, but for purposes of valuing wedding gifts, one-half of the value of each gift is attributable to each spouse. (Regulation 18946.3.)

Honoraria

The Prohibition

Local officials specified in Section 87200 (see page 2) are prohibited from receiving any honoraria payments. Officials and employees of local agencies who file statements of economic interests (Form 700) under the agency's conflict of interest code ("designated employees") may not receive honoraria payments from any source if the employee would be required to report income or gifts from that source on the Form 700, as outlined in the "disclosure category" portion of the conflict of interest code. (Section 89502.)

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. (Section 89501.)

A "speech given" means a public address, oration, or other form of oral presentation, including participation in a panel, seminar, or debate. (Regulation 18931.1.)

An "article published" means a nonfictional written work: 1) that is produced in connection with any activity other than the practice of a bona fide business, trade, or profession; and 2) that is published in a periodical, journal, newspaper, newsletter, magazine, pamphlet, or similar publication. (Regulation 18931.2.)

"Attendance" means being present during, making an appearance at, or serving as host or master of ceremonies for any public or private conference, convention, meeting, social event, meal, or like gathering. (Regulation 18931.3.)

The Act and Commission regulations provide certain exceptions to the prohibition on honoraria. (Section 89501(b); Regulations 18932 –18933.):

Honoraria Exceptions that also apply to gifts and income

1. An honorarium that you return (unused) to the donor or the donor's agent or intermediary within 30 days. (Section 89501(b); Regulation 18933.)
2. An honorarium that is delivered to the official's local agency within 30 days for donation to the agency's general fund and for which you do not claim a deduction for income tax purposes. (Section 89501(b); Regulation 18933.)
3. A payment that is not delivered to you but is made directly to a bona fide charitable, educational, civic, religious, or similar tax-exempt, non-profit organization. However:
 - You may not make the donation a condition for your speech, article, or attendance;
 - You may not claim the donation as a deduction for income tax purposes;
 - You may not be identified to the non-profit organization in connection with the donation; and
 - The donation may have no reasonably foreseeable financial effect on you or on any member of your immediate family. (Regulation 18932.5.)
4. A payment received from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such

person. However, a payment that would be considered an honorarium is prohibited if one of these persons is acting as an agent or intermediary for someone else. (Regulation 18932.4(b).)

5. Any payment, unless specified otherwise, exempted under any of the “Gift Exceptions” listed above.

6. Payments received for a comedic, dramatic, musical, or other similar artistic performance, and payments received for the publication of books, plays, or screenplays. (Regulations 18931.1 and 18931.2.)

7. Reimbursements for reasonable travel expenses provided to you by a bona fide non-profit, tax-exempt (501(c)(3)) entity for which you provide equal or greater consideration. The payment would also be exempt from the definition of income under Section 82030(b)(2). (See discussion under “Travel Payments” below.)

Honoraria Exceptions where the payment may still be considered income (or gifts, if consideration of equal or greater value is not provided by the official)

1. Free admission, and refreshments and similar non-cash nominal benefits, provided to an official during the entire event at which he or she gives a speech, participates in a panel or provides a similar service, and in-California transportation and necessary lodging and subsistence provided directly in connection with the speech, panel or service, including meals and beverages on the day of the activity. (Regulation 18932.4(e).)

2. Income earned and payments for travel made in connection with personal services rendered by the official if the services are provided in connection with a bona fide business, trade, or profession — such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting — and the services are customarily provided in connection with the business, trade, or profession. (Section 89506(d)(3) and Regulations 18950(a) and 18950.2.)

This exception does not apply if the sole or predominant activity of the business, trade, or profession is making speeches. In addition, you must meet certain criteria to establish that you are conducting or in a bona fide business, trade, or profession (such as maintenance of business records, licensure, proof of teaching position) before a payment received for personal services which may meet the definition of honorarium would be considered earned income and not an honorarium. (Section 89501(b); Regulations 18932 –18932.3.) Earned income is required to be reported. Contact the FPPC for detailed information.

3. Travel payments provided to you by your government agency or by any state, local, or federal government agency which would be considered income and not a gift (i.e., payments for which you provide equal or greater consideration). (Section 89506(d)(2).) See discussion under “Travel Payments” below.

4. Certain payments for transportation, lodging, and subsistence are not considered honoraria but may be reportable as a gift or income and, if a gift, subject to the gift limit. (Sections 89501(c) and 89506.) See discussion under “Travel Payments” below.

Travel Payments Exceptions

Generally, when an official receives a payment (including reimbursement) for his or her travel, that payment is a reportable gift or income under the Act. The term “travel payment” includes payments, advances, or reimbursements for travel, including actual transportation, parking and related lodging and subsistence. (Section 89506(a).)

If the payment is a gift, it is also normally subject to the Act’s \$440 gift limit. If the payment is income, it may, in some cases, be an honorarium. And whether a payment is a gift or income, the official may be required to disqualify him or herself from any decision that will have a foreseeable materially financial effect on the source.

Certain Travel Payments are not a Gift, Income or Honorarium

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
No	No	No	No

The following travel payments are not a gift, income or honorarium under the Act and Commission regulations and are thus not reportable, potentially disqualifying, or subject to any of the Act’s gift limits or the honorarium ban.

1. A payment for travel from a source that is not reportable on the official’s statement of economic interests (Form 700) based on the provisions of the conflict of interest code of the official’s agency.
2. A payment for travel from another local, state, or federal government agency and related per diem expenses when the travel is for education, training or other inter-agency programs or purposes. (Regulation 18950(a) and (c)(2).)
3. A payment for travel provided to the official in a vehicle or aircraft owned by another official or agency when each official is traveling to or from the same location for an event as a representative of their respective offices. (Regulation 18950(a) and (c)(3).)
4. Travel payments provided to the official by any state, local, or federal government agency as part of the official’s employment with that agency or provided to the official by a bona fide non-profit, tax-exempt (501(c)(3)) entity for which the official provides equal or greater consideration. (Section 82030(b)(2).) Any person who claims to have provided consideration has the burden of proving that the consideration received is of equal or greater value.
5. Travel for Official Agency Business (Regulation 18950.1). Certain payments made to an agency to cover the travel expenses of an employee who travels in the course of carrying out agency business are not gifts to the official because these payments do not provide a “personal benefit” to the official. For this exception to apply, the agency must report the payment on a Form 801 and the amount and purpose for using the payments are restricted by the provisions set forth in Regulation 18950.1.
6. A payment for travel that constitutes a campaign contribution to an official (Sections 82015, 82028(b)(4); Regulations 18215, 18942(a)(4), 18950(a) and 18950.3(a)), and permissible expenditures of campaign funds for campaign-related travel (Regulations 18950(a) and 18950.3(b)), provided they comply and are properly reported in accordance with applicable campaign finance laws.

Certain Travel Payments are Reportable and may Subject the Official to Possible Conflicts of Interest, but are not Subject to the \$440 Gift Limit or Honoraria Ban of the Act.

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes	Yes	No	No

1. Travel Subject to Section 89506(a). Any payments for actual transportation expenses and related lodging and subsistence that are made for a purpose reasonably related to: (1) A legislative or governmental purpose, or (2) An issue of state, national, or international policy so long as the travel is either

(a.) In connection with a speech given by the official and the lodging and subsistence expenses are limited to the day immediately proceeding, the day of, and the day immediately following the speech and the travel is within the United States, or

(b.) Provided by a government agency or authority, (including a foreign government), a bona fide public or private educational institution as defined in Section 203 of the Revenue and Taxation Code, or a nonprofit organization that qualifies under Section 501(c)(3) of the Internal Revenue Code or a foreign organization that substantially satisfies the criteria of that section.

These payments are still reportable on the Form 700 and may create a conflict of interest issue for the official.

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes - as Income	Yes	No	No

1. Payments for travel made in connection with personal services rendered by the official if the services are provided in connection with a bona fide business, trade, or profession — such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting — and the services are customarily provided in connection with the business, trade, or profession. (Section 89506(d)(3) and Regulations 18950(a) and 18950.2.) **These payments may be reportable as income to the official.**

Loans

Personal loans received by certain local 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 certain amounts may become a gift to the official who received it.

Limitations on Loans from Agency Officials, Consultants, and Contractors

If you are a local elected officer or an official specified in Section 87200 (see page 2), you may not receive a personal loan that exceeds \$250 at any given time from an officer, employee, member, or consultant of your government agency or an agency over which your agency exercises direction and control. (Section 87460(a) and (b).)

In addition, you may not receive a personal loan that exceeds \$250 at any given time from any individual or entity that has a contract with your government agency or an agency over which your agency exercises direction and control. This limitation does not apply to loans received from banks or other financial institutions, and retail or credit card transactions, made in the normal course of business on terms available to members of the public without regard to your official status. (Section 87460(c) and (d).)

Loan Terms Applicable Only to Elected Officials

In addition to the limitations above, if you are a local elected officer, you may not receive a personal loan of \$500 or more unless the loan is made in writing and clearly states the terms of the loan. The loan document must include the names of the parties to the loan agreement, as well as the date, amount, interest rate, and term of the loan. The loan document must also include the date or dates when payments are due and the amount of the payments. (Section 87461.)

The following loans are not subject to these limits and documentation requirements:

1. Loans received by an elected officer's or candidate's campaign committee.
2. Loans received from your spouse, child, parent, grandparent, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person unless he or she is acting as an agent or intermediary for another person not covered by this exemption.
3. Loans made, or offered in writing, prior to January 1, 1998. (Sections 87460 and 87461.)

Loans as Gifts

Under the following circumstances, a personal loan received by **any** public official (elected and other officials specified in Section 87200, as well as any other local official or employee required to file statements of economic interests) may become a gift and subject to gift reporting and limitations:

1. If the loan has a defined date or dates for repayment and has not been repaid, the loan will become a gift when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, the loan will become a gift if it remains unpaid when one year has elapsed from the later of:
 - The date the loan was made;
 - The date the last payment of \$100 or more was made on the loan; or
 - The date upon which you have made payments aggregating to less than \$250 during the previous 12 months. (Section 87462.)

The following loans will not become gifts:

1. A loan made to an elected officer's candidate's campaign committee. This loan would, however, be a campaign contribution. Consult the FPPC campaign manual for local candidates (Manual 2) for more details.
2. A loan described above on which the creditor has taken reasonable action to collect the balance due.
3. A loan described above on which the creditor, based on reasonable business considerations, has not undertaken collection action. (However, except in a criminal action, the creditor has the burden of proving that the decision not to take collection action was based on reasonable business considerations.)
4. A loan made to an official who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.
5. A loan that would not be considered a gift as outlined earlier in this fact sheet (e.g., loans from certain family members). (Section 87462.)

California Fair Political Practices Commission

Frequently Asked Questions: Form 700 Disclosure

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The FAQs listed below are selected from questions people frequently ask the FPPC about the Statement of Economic Interests (Form 700). All efforts have been made to provide helpful, easy to understand, answers to common questions. Please note that this fact sheet cannot address all of the unique variables and circumstances related to disclosure. Individuals are encouraged to contact the FPPC with specific facts. Keep in mind that the Form 700 is a public document. Form 700s filed by State Legislators and Judges, members of the FPPC, County Supervisors, and City Council Members are available on the FPPC's website.

General Questions

1. Q. Do all officials have the same disclosure requirements for Form 700 reporting?
 - A. No. The majority of individuals that file the Form 700 must do so by following the rules set forth in their agency's conflict of interest code ("designated employees"). Before completing the Form 700, an official should be familiar with the disclosure category for his or her position. For example, since job duties differ from agency to agency and even unit to unit within the same agency, an analyst for one agency, or unit of that agency, may not have the same reporting requirements as an analyst from another agency, or even another unit of the same agency.

Officials listed in Government Code Section 87200 (e.g., boards of supervisors, city council members, planning commissioners, elected state officials, etc.) must report all sources of gifts, as well as sources of income, and investments and business positions in business entities, doing business within, and real property interests located within, their agency's jurisdiction. For local officials, real property located within 2 miles of the boundaries of the jurisdiction or any real property that the agency has an interest in is deemed to be "within the jurisdiction."
2. Q. Is it necessary to read all of the information before completing the Form 700?
 - A. Each individual must verify the Form 700's content under penalty of perjury. Therefore, all effort must be made to understand what is required by the form. When necessary, the FPPC may be contacted for specific, personal guidance. Immunity from an enforcement action can only be provided when an official submits a request for formal written advice.
3. Q. Where are the Form 700s filed?
 - A. Most state and local officials file with their agency. In most instances, the agency is required to forward the originals for specified high-level officials to the FPPC; however, only retired judges serving on assignment and legislative staff file the Form 700 *directly* with the FPPC.

4. Q. If the Form 700 is postmarked by the due date, is it considered filed on time?
- A. Yes.
5. Q. If an official holds various positions for which the Form 700 is required, is a statement required for each position?
- A. Yes, however one expanded statement covering the disclosure requirements for all positions may be completed so long as an originally signed statement is filed with each filing officer.
6. Q. Do individuals need to file a complete Form 700 when they leave office?
- A. Yes. The same requirements apply for the assuming office, the annual, and the leaving office filings.
7. Q. An individual is hired into a newly created management position in her agency's Information Technology Department. How does she complete the Form 700?
- A. Because it is a newly created position, the law requires that economic interests are reported under the broadest disclosure category in the agency's conflict of interest code unless the agency sets interim disclosure that is tailored to the limited range of duties of the position. Generally, the Form 700 must be filed with the agency within 30 days of the date of hire. Note: An individual may request that the agency complete the Form 804 (Agency Report of New Positions) to tailor the disclosure category to the job duties of the new position.
8. Q. Must board members of a non-profit public benefit corporation that operates California charter schools file Form 700?
- A. Yes. Members of charter schools are officials and must file Form 700.

Income Questions

9. Q. Must an official report a spouse's (which includes registered domestic partner's) salary?
- A. Generally an official is required to report 50% of his or her spouse's or registered domestic partner's salary disclosing the employer's name as the source of income on Schedule C of the Form 700. If the spouse or registered domestic partner is self-employed, the business entity should be reported on Schedule A-2. Officials should check their disclosure category, if applicable, to determine if the income is reportable. Note: The filer's regular government salary is not reportable.
10. Q. If an official owns a business in which he has received income of \$10,000 or more from a client, is the official required to disclose the client's name on Schedule A-2, Part 3?
- A. Yes, except for under rare circumstances where disclosure of the identity would violate a legally recognized privilege under California law. In these cases, the FPPC's Executive Director is authorized to grant an exemption.

Investment Questions

11. Q. An official holds various stocks through an account managed by an investment firm. The account manager decides which stocks to purchase with no input from the official. Are the stocks subject to disclosure?
- A. Yes. Unless the stocks are in diversified mutual funds registered with the SEC, any investments worth \$2,000 or more in a business entity located in or doing business in the jurisdiction must be disclosed on Schedule A-1 or A-2 if the official's disclosure category requires that such investments be reported.
12. Q. Are funds invested in a retirement account required to be disclosed?
- A. Investments held in a government defined-benefit pension program plan (i.e., CalPERS) are not reportable. Investments held in a fund such as a defined contribution plan 401(k) or exchange traded fund (ETF) are not required to be disclosed if the fund meets specified requirements. (See Regulation 18237.) An official may need to contact their account manager for assistance in determining what assets are held in the account.
13. Q. How are interests in a living trust reported? If the trust includes rental property in the official's jurisdiction, a primary residence, and investments in diversified mutual funds, are there different disclosure rules?
- A. The name of the trust is reported, along with the rental property and its income, on Schedule A-2. The official's primary residence, if used exclusively as a personal residence, and investments in diversified mutual funds registered with the SEC, are not reportable. (For secondary residences, see Question 15.) Although the official's primary residence is not required to be disclosed on the Form 700, it is still considered an economic interest for conflict of interest purposes. (See Question 14.)

Real Property Questions

14. Q. Is an official's personal residence reportable?
- A. Generally, any personal residence occupied by an official or his or her family is not reportable if used exclusively as a personal residence. However, a residence for which a business deduction is claimed is reportable if the portion claimed as a tax deduction is valued at \$2,000 or more. In addition, any residence for which an official receives rental income is reportable if it is located in the jurisdiction.
15. Q. When an official is required to report interests in real property, is a secondary residence reportable?
- A. It depends. First the residence must be located in the official's jurisdiction. If the secondary residence is located in the official's jurisdiction and rental income is received (including from a family member), the residence is reportable. However, if the residence is used exclusively for personal purposes and no rental income is received, it is not reportable. Although the secondary residence may not be reportable, it is still considered an economic interest for conflict of interest purposes.

16. Q. If a primary or secondary personal residence is required to be reported, is the street address required to be disclosed?

A. No. The assessor's parcel number may be listed instead of the street address.

Enforcement Question

17. Q. What is the penalty for not filing the Form 700 on time or not reporting all required economic interests?

A. A late fine of \$10 per day up to a \$100 may be assessed. In addition, if a matter is referred to the FPPC Enforcement Division for failure to file or failure to include all required economic interests, the fine may be substantially higher. In 2013, the FPPC collected over \$80,000 in fines for late statements and non-disclosure of economic interests. If an individual does not pay a fine, the matter may be referred to the Franchise Tax Board for collection.

Gift/Travel Questions

18. Q. What is the gift limit for 2013-2014?

A. **\$440:** This means that gifts from a single, reportable source, other than a lobbyist or lobbying firm (see below), may not exceed \$440 in a calendar year. For officials and employees who file the Form 700 under an agency's conflict of interest code ("designated employees"), this limit applies only if the official or employee would be required to report income or gifts from that source on the Form 700, as outlined in the "disclosure category" portion of the agency's conflict of interest code. Note: For conflict of interest purposes, the gift must be under \$440 to avoid consideration under the conflict rules. (In other words, there is a one dollar discrepancy in the threshold amounts.)

State Lobbyist & Lobbying Firm Limit:

\$10: State candidates, state elected officers, and state legislative officials may not accept gifts aggregating more than **\$10 in a calendar month that are made or arranged by a registered state lobbyist or lobbying firm.** The same rule applies to state agency officials, including members of state boards and commissions, if the lobbyist or firm is registered to lobby, or should be registered to lobby, the official's or employee's agency.

19. Q. During the year, an official received several gifts of meals from the same reportable source. Each meal was approximately \$35. Is the source reportable?

A. Yes. Gifts from the same reportable source are aggregated, and the official must disclose the source when the total value of all meals reaches \$50.

20. Q. Does a gift source have to be reported if it is not doing business in the jurisdiction but is of the type that would need to be reported if it were?

A. Yes. While income reporting has a jurisdictional limitation under the Act, gift reporting does not. Therefore, gifts from sources located anywhere in the world are reportable if they are of the type that do business with the employee's agency such that the employee is required to report sources of that type.

21. Q. How does an individual return a gift so that it is not reportable?
- A. Unused gifts that are returned to the donor, or reimbursed within 30 days of receipt are not reportable. The recipient may also donate the unused item to a charity or governmental agency within 30 days of receipt or acceptance so long as the donation is not claimed as a tax deduction.
22. Q. Two people typically exchange gifts of similar value on birthdays. Are these items reportable?
- A. No. Such gift exchanges with individuals, other than lobbyists, on birthdays, holidays, or similar occasions, are not reportable or subject to gift limits. The gifts exchanged must be similar in value.
23. Q. Must an official report gifts received from an individual whom the official is dating?
- A. No. Gifts of a personal nature exchanged because the individuals are in a bona fide dating relationship are not reportable or subject to gift limits. However, the official remains subject to the conflict of interest rules and some matters may require recusal from voting.
24. Q. A vendor that does business with the agency provided entertainment tickets to the spouse of one of the agency members. Must the member report the tickets as gifts?
- A. Yes, unless an exception applies, the tickets are a reportable gift. A gift to an official's spouse is a gift to the official when there is no established working, social, or similar relationship between the donor/vendor and the spouse or there is evidence to suggest that the donor had a purpose to influence the official.
25. Q. An agency received two free tickets to a concert from a local vendor. The agency had discretion to determine who in the agency received the tickets. Each ticket was valued at \$140. If the director of the agency used the tickets, how are they reported?
- A. The tickets are reportable in the amount of \$280 on the director's Form 700 if the vendor is the type of source covered under the director's disclosure category in the agency's conflict of interest code.
26. Q. An agency received a large box of chocolates as a holiday gift from a local merchant. It was addressed to the agency and not to a particular employee. Is there a reporting requirement?
- A. No, so long as the value is less than \$50 to any one employee of the agency.
27. Q. Do prizes received by city employees in a drawing conducted by the city for all city employees participating in the city's charitable food drive constitute gifts under the Act, subject to the Act's limits and reporting requirements, if they were donated to the agency by an outside source?
- A. Yes. The prizes are gifts if donated by an outside source.

28. Q. Is a ticket provided to an official for his or her admission to an event at which the official performs a ceremonial role or function on behalf of his or her agency reportable on the official's Form 700?

A. No, so long as the organization holding the event provides the ticket. However, the official's agency must complete FPPC Form 802 (Agency Report of Ceremonial Role Events and Ticket/Pass Distributions) and forward it to the FPPC. The form will identify the official's name and explain the ceremonial function. (See Regulation 18942.3 for the definition of "ceremonial role.")

29. Q. Are frequent flyer miles reportable?

A. No. Discounts received under an airline's frequent flyer program that are available to all members of the public are not required to be disclosed.

IMPORTANT NOTE: Effective January 1, 2014, the types of travel payments that may be reported by an official's agency on the Form 801 in lieu of the official reporting the payment on his or her Form 700 have been revised. See Regulation 18950.1 for additional information.

30. Q. If a non-profit organization pays for an official to travel to a conference after receiving the funds to pay for the travel from corporate sponsors, specifically for the purpose of paying for the official's travel, is the non-profit organization or the corporate sponsors the source of the gift?

A. The corporate sponsors are the source of the gift if the corporate sponsors donated funds specifically for the purpose of the official's travel. Thus, the benefit of the gift received by the official would be pro-rated among the donors. Each reportable donor would be subject to the gift limit and identified on the official's Form 700. The FPPC should be contacted for specific guidance to determine the true source of the travel payment.

31. Q. May an official accept travel, lodging and subsistence from a foreign sister city while representing the official's home city?

A. 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.

32. 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.

33. 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.)

Tickets to Non-Profit and Political Fundraisers Questions

34. Q. An official is offered a ticket from a 501(c)(3) charitable 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 his or her guest attending the event, without a reporting obligation by either the official or the guest.
35. 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-rata share of the food, catering service, entertainment, and any additional item provided as part of the event. The "no value" exception only applies if the official receives no more than two tickets for his or her own use directly from the 501(c)(3) organization and it is for the organization's fundraising event.
36. Q. An agency employee who holds a position designated in the conflict of interest code receives a ticket to a fundraiser from a person not "of the type" listed in the agency's code. Is the agency employee required to report the value?
- A. No. A ticket or any other gift may be accepted under these circumstances without limit or reporting obligations. Note: agencies must ensure the conflict of interest code adequately addresses potential conflicts of interests but not be so overbroad as to include sources that are not related to the employee's official duties.
37. Q. A 501(c)(3) organization provides a ticket to an official for its fundraising event. The organization seats the official at a table purchased by a business entity. Does the official have to report the ticket?

- A. No. So long as the ticket is provided directly by the 501(c)(3) organization and is used for the official's own attendance at the fundraiser, the ticket is not reportable regardless of where the official is seated.
38. Q. An official receives a ticket to attend a political fundraiser held in Washington D.C. from a federal committee. Is the official required to disclose the ticket as a gift, and is it subject to the gift limit?
- A. No. The value of the ticket is not a gift so long as the ticket is provided to the official directly by the committee holding the fundraiser and the official personally uses the ticket. (Regulation 18946.4.) Separate rules apply for travel provided to attend the fundraiser. Regulation 18950.3 covers issues on travel paid by or for a campaign committee.
39. 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 his or her 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.
40. 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.
41. 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 food and beverages "drop-in" exception is not on the nature of the event as a whole, but rather on the particular official's brief attendance and limited consumption. If an official attends an event that serves only appetizers and drinks, the "drop-in" exception would only apply if the official just "drops in" for a few minutes and consumes only a "de minimis" amount of appetizers and drinks. However, the "drop-in" exception does not automatically apply just because the event does not serve more than appetizers and drinks.
42. Q. An organization, which is not a 501(c)(3) organization, is holding a fundraiser at a professional sporting event. Tickets to this sporting event are sold out and it appears that tickets are only available at a substantially higher price than the stated face value amount of the ticket provided to the official by the organization. If the official attends the event, what is the value of the gift?
- A. The value is the face value amount stated on the ticket to the sporting event. This valuation rule applies to all tickets to such events that are not covered by a separate valuation exception, such as non-profit and political party fundraisers.

43. Q. An official receives a ticket to a fundraiser, and if accepted, the ticket will result in a reportable gift or a gift over the current gift limit. What are the options?
- A. The official may reimburse the entity or organization that provided the ticket for the amount over the gift limit (or pay down the value to under the \$50 gift reporting threshold if the official does not want to disclose the ticket). Reimbursement must occur within 30 days of receipt of the ticket. A candidate or elected official may use campaign funds to make the reimbursement if the official's attendance at the event is directly related to a political, legislative, or governmental purpose for the payment. A ticket that is not used and not given to another person is not considered a gift to the official.