



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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June 25, 2025

Sarah Lang  
Attorney for CA Chamber of Commerce  
Political Action Committee  
455 Capitol Mall, Ste 600  
Sacramento, CA 95814

Re: Your Request for Advice  
**Our File No. A-25-081**

Dear Ms. Lang:

This letter responds to your request for advice regarding the campaign provisions of the Political Reform Act (the “Act”).<sup>1</sup>

Note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice.

### QUESTION

1. When ChamberPAC pays a consultant’s fees and travel expenses in connection with organizing an event to raise funds for a candidate’s committee, is ChamberPAC making a nonmonetary contribution to the candidate’s committee for the consultant’s fees and travel expenses?

2. If the answer above is “yes,” is it appropriate to only report the value of the nonmonetary contribution according to the rules set forth in Regulation 18946.2(b) for valuing a gift of free admission to an invitation-only event?

3. Under the member communication exception set forth in Section 85312, if ChamberPAC pays a consultant’s fees and travel expenses in connection with organizing an event to raise funds only from its sponsoring organization’s members for a candidate’s committee, is ChamberPAC making a nonmonetary contribution to the candidate’s committee for the consultant’s fees and travel expenses?

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<sup>1</sup> 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 18104 through 18998 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.

## CONCLUSION

1. Yes, if ChamberPAC provides compensation to a consultant for personal services and expenses to organize a fundraising event in coordination with a candidate, without payment of full and adequate consideration from that candidate, it is making a nonmonetary contribution and the consultant's fees and expenses attributable to the event must be included when determining the value of the contribution.

2. No, Regulation 18946.2(b) cannot be used to calculate the value of a nonmonetary contribution of a fundraising event benefiting a candidate. The full costs of the event, including the consultant's fees and expenses, will constitute in-kind contributions to the candidate.

3. Yes, ChamberPAC is making a nonmonetary contribution when paying a consultant's fees and expenses for an in-person event to raise funds in coordination with a candidate, even if the event is limited to members of the organization. The member communication exception applies to written or spoken communications; it does not apply to the costs associated with a consultant organizing an in-person event.

## FACTS AS PRESENTED BY REQUESTER

ChamberPAC is a state general purpose recipient committee that is sponsored by California Chamber of Commerce ("CalChamber"). ChamberPAC would like to hire an event consultant to assist in planning and coordination of campaign fundraising events. Some events are to raise funds for ChamberPAC itself. Other events are to raise funds for particular candidates, and will be organized in coordination with the affected candidate committees. For purposes of this advice, you ask whether ChamberPAC is making a nonmonetary contribution to a candidate if it pays a consultant to plan and coordinate an event to raise funds for a particular candidate in coordination with the candidate.

The consultant's duties would include determining a mutually agreeable date, designing and sending invitations, identifying a location and arranging the food and beverage menu, and attending the event to handle logistics. The consultant would typically be compensated a flat fee amount per event, and would be reimbursed travel (i.e., airfare, lodging, personal incidentals) and other expenses in connection with the event.

## ANALYSIS

### *Event Organizer Fees and Travel Expenses as Non-Monetary Contributions*

A "contribution" is "any payment made for political purposes for which a donor does not receive full and adequate consideration." (Regulation 18215(a); also see Section 82015.) A payment is made for political purposes if it is made "for the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of a candidate or candidates, or the qualification or passage of any measure" or is received by or made at the behest of a candidate, controlled committee, an official committee of a political party, or an organization formed primarily for a political purposes. (Regulation 18215(a)(1) and (2).)

We have advised that a fundraising event put on by an organization in coordination with a candidate is a nonmonetary contribution from that organization to the candidate and subject to the applicable contribution limit. (*Becker* Advice Letter, No. A-20-044.)<sup>2</sup> Similarly and based on the facts provided, the full costs of the event paid for by ChamberPAC is a nonmonetary contribution to the candidate to the extent that the fundraising event is held for and in coordination with the candidate.

Regarding whether a consultant's fees and travel expenses in connection with organizing such an event must be included when calculating the value of that event as nonmonetary contribution, Section 82015(b)(1) defines "contribution" to include "the payment of compensation by any person for the personal services or expenses of any other person if the services are rendered or expenses incurred on behalf of a candidate or committee without payment of full and adequate consideration." (Emphasis added.) Regulation 18423(a)(1) further clarifies this definition by stating that:

"The payment of salary, reimbursement for personal expenses, or other compensation by an employer to an employee who spends more than 10% of compensated time in any one month rendering services for political purposes is a contribution, as defined in Section 82015 and Regulation 18215, or an expenditure, as defined in Section 82025, by the employer if ... [t]he employee renders services at the request or direction of the employer."

We have interpreted the word "employee" here to include independent contractors. (*Terry* Advice Letter, A-84-164.) We have also advised that if an organization retains a consultant to work on a political campaign, all of the consultant's time must be considered an expenditure and, depending upon the circumstances, a nonmonetary contribution. (*Sutton* Advice Letter, I-94-287.) In the specific context of fundraising costs, we have advised that expenses "not separable from the fundraising event or appeal" would typically be considered fundraising costs (i.e. contributions). (*Bell* Advice Letter, I-06-071.) In determining what constitutes a "fundraising cost," we have advised that a committee must make a distinction between "routine costs incurred to maintain the committee's day-to-day existence" versus "costs associated with particular activities in pursuit of the committee's goals - in this case, fundraising." (*Bell* Advice Letter, I-06-071.)

The rules stated above encompass the scenario you describe, in which ChamberPAC would be providing compensation to a consultant or independent contractor for personal services and expenses to organize a fundraising event in coordination with a candidate, without payment of full and adequate consideration from that candidate. Any portion of the consultant's fees and expenses not separable from the fundraising event or appeal would therefore be a non-monetary contribution from ChamberPAC to that candidate, along with the value of other expenses attributable to the fundraising event or appeal.

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<sup>2</sup> While we note that the *Becker* letter examined an event open to the public, this factor was not determinative to the conclusion reached because, as more fully analyzed below, member communications are limited to written and spoken communications and do not extend to the costs of a campaign fundraiser held in coordination with a candidate.

*Possible use of Regulation 18946.2(b) to calculate the value of a nonmonetary contribution*

Regulation 18946.2(b) provides a method for public officials to calculate the value of a gift of free attendance to an invitation-only event. The regulation states in relevant part that “the admission value of the benefit received by an official and one guest who attend an invitation-only event, is the official's and the guest's pro-rata share of the cost of the food, catering services, entertainment, and any item provided to the official and guest that is available to all guests attending the event. Any other specific benefit provided to the official and guest at the event, such as golf green fees, is valued at fair market value.”

By its terms, Regulation 18946.2(b) is meant to be applied in situations where an official is receiving only a “share” of certain benefits provided to attendees of an event. It specifically excludes from its pro-rata calculation method any “specific benefit provided to the official.” Its purpose is therefore different from the situation you describe, wherein a candidate is receiving the full benefit of a fundraising event organized for their specific benefit. As established above, full value of the payment of the consultant's fees and travel will constitute in-kind contributions to the candidate in question and cannot be obviated through the use of Regulation 18946.2(b).

*Application of the “member communication” exception*

Section 85312 provides that “... payments for communications to members, employees, shareholders, or families of members, employees or shareholders of an organization for the purpose of supporting or opposing a candidate or ballot measure are not contributions or expenditures, provided those payments are not made for general advertising such as broadcasting, billboards, and newspaper advertisements.” This is commonly referred to as the “member communications exception.”

Regulation 18531.7(a) defines “payments for communications to members” as “any payments made by an organization or its sponsored committee for the publication, dissemination or communication to the organization's members, employees, or shareholders, or to the families of the organization's members, employees or shareholders by newsletter, letter, flyer or the like of material, written or spoken, that supports or opposes a candidate or ballot measure. “Payments for communications to members” do not include any payments made by an organization for general public advertising such as broadcasting, billboards, and newspaper advertisements or for communications to persons who are not members, employees, or shareholders, or families of members, employees, or shareholders of the organization.” (Emphasis added.)

The phrase “newsletter, letter, flyer or the like. . . material, written or spoken,” indicates that the member communications exception applies to written or spoken materials – not in-person events. Therefore, to the extent that the ChamberPAC event will be an in-person fundraiser benefitting the candidate, the full cost of the event, including payment of the consultant's fees and travel expenses, would be in-kind contributions to the candidate.

If you have other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

Dave Bainbridge  
General Counsel

A handwritten signature in black ink, appearing to be 'SR', written over a faint, light gray circular background.

By: Simon Russell  
Counsel, Legal Division

SR:aja