

LEGAL ADVISORY

Office of the General Counsel

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www.ucop.edu/ogc

SUMMARY

The Fair Political Practices Commission (FPPC) recently amended the regulation that governs disclosure of economic interests and the reporting of payments received for speeches, panels and seminars.

If you have questions regarding changes in Form 700 reporting requirements, please contact:

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This legal advisory is issued by the Office of the General Counsel to provide updates regarding important legal and regulatory developments that affect the University. For additional information or assistance with a specific legal matter, please contact the Office of the General Counsel.

IMMEDIATE CHANGES IN FORM 700 REPORTING REQUIREMENTS

The Fair Political Practices Commission (FPPC) recently amended the regulation that governs disclosure of economic interests and the reporting of payments received in connection with speeches, panels and seminars. Effective March 13, 2010, all University of California (University) employees identified by the University as "designated officials" (Designated Officials) are required to report all payments and reimbursements received for speeches, panels and seminars from nongovernmental third parties regardless of the location of the activity. Before the new rule, designated officials were required to report the cost of transportation to and from out-of-state speeches.

The FPPC no longer makes a distinction between in-state and out-of-state speeches and now requires reporting for a broader category of payments. Specifically, designated officials must now report any payments or reimbursements for admission, transportation, necessary lodging, food, beverages, and nominal non-cash benefits for an event at which the Designated Official makes a speech. The new requirements apply to payments received in 2010. Payments by the University to its employees are not covered by the regulations.

If the compensation received for a speech is from a federal, state or local government agency, the Designated Official is not required to report such payments provided the following three conditions are met:

1. The speech is for official agency business;
2. The filer is representing their agency in the course and scope of their official duties; and
3. The payment is a lawful expenditure by the federal, state or local governmental agency for a purpose related to the agency's official business.

The rules for The Regents and the President, Chief Investment Officer & Vice President for Investments, and the Associate Chief Investment Officer of the University (Article 2 Filers) are different in that Article 2 Filers must now report *all* payments for speeches, panels and seminars, whether the payment came from a governmental agency or a non-governmental third party.

\$420 Gift Limitation and Special Rule for Foreign Travel

Payments for speeches are exempt from the \$420 gift limitation, with one exception. If the payment received is in connection with foreign travel for a speech, the cost of such foreign travel is still subject to the \$420 gift limitation.

Disqualification as a Result of Payments

In addition to the reporting obligation, when a Designated Official receives payments from a single source (either governmental or non-governmental) in the amount of \$420 or more within a 12-month period, the Designated Official has an obligation to disqualify him/herself from participating in University decisions that affect the party issuing the payment. In such instances, the Designated Official must recuse him/herself for a period of 12 months after the last payment is received.