

State of Minnesota
Campaign Finance & Public Disclosure Board
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**THE FOLLOWING PUBLICATION DOES NOT IDENTIFY
THE REQUESTER OF THE ADVISORY OPINION, WHICH IS NON PUBLIC DATA
under Minn. Stat. § 10A.02, subd. 12(b)**

RE: Expenses that must be reported on lobbyist disbursement reports and annual reports of lobbyist principals

ADVISORY OPINION 429

SUMMARY

Compensation paid to a lobbyist is the consideration paid to the lobbyist or the lobbyist's employer for the time that the lobbyist spends (1) communicating with officials to urge official action, (2) urging others to communicate with officials to urge official action, and (3) engaging in any other activity that directly support these activities.

When a principal hires a law firm under an annual retainer agreement to provide the principal with a wide range of government affairs services, the principal incurs the entire fee for those services when the agreement is entered into by the parties. The law firm must track the number of hours spent on each type of service covered by the retainer agreement and the parties must use those records, along with an assumed rate for each type of service, to determine what costs to report on the lobbyist disbursement reports and annual principal reports.

An expense is a lobbyist disbursement if it is incurred (1) to communicate with officials for the purpose of influencing official action, (2) to urge others to communicate with officials for the purpose of influencing official action, or (3) for any activity that directly supports either of these types of communication.

An annual principal report must include the total amount that the principal spent to influence governmental action even if no communication with government officials was involved. The total amount reported must also include the supporting activities listed in Minnesota Statutes section 10A.04, subdivision 6, paragraph (c) (2).

FACTS

As the attorney for a lobbyist principal, you ask the Board for an advisory opinion that the principal intends to use to guide its Minnesota lobbyist and principal report preparation. Your request is based on hypothetical facts that you have provided which are, in relevant part, as follows:

1. The principal that you represent is a business entity (ABC Company) that has legislative and administrative interests in Minnesota.
2. ABC Company has retained XYZ law firm to provide it government-affairs-related advice and services. The services are provided under an annual retainer agreement. A member of XYZ law firm is ABC Company's designated Minnesota lobbyist.
3. ABC Company also has an in-house employee who is a registered Minnesota lobbyist.
4. Non-lobbyist employees of both ABC Company and XYZ law firm engage in various support activities, some of which are directly related to the activity of the lobbyists and some of which are generally related to the fact that ABC Company has legislative and administrative interests in Minnesota.
5. ABC Company compensates XYZ law firm by way of an annual retainer agreement calling for monthly payments of \$5,000. The parties understand that ABC Company will pay XYZ law firm the monthly retainer amount without regard to the amount of government-affairs-related work the firm does during any particular month, the type of government-affairs-related work the firm does during the month, and the position of the law firm employees who actually performed the work.
6. The work that XYZ law firm performs for ABC Company includes such things as strategic government affairs consulting, coalition building with industry allies and others with similar legislative and administrative interests, direct communications with public officials to influence legislative and administrative actions, and activities that directly support those communications such as research, drafting, and preparing materials to be used in those communications. The work also includes general public relations, communicating with the principal's representatives regarding the status of matters of interest, and similar activities.
7. ABC Company and both its in-house and outside lobbyist make expenditures. Some of these expenditures are made solely because ABC Company has a lobbying presence in the state and, but for that presence, such expenditures would not be made. Examples of such expenditures would include:
 - a. Expenses associated with attending meetings or conferences with those who have similar legislative and administrative interests, but which have no connection to any specific legislation or administrative action (e.g., travel expenses for the in-house lobbyist and non-lobbyist employees to attend a social event to build relationships with representatives of entities with similar government affairs interests and priorities; travel expenses associated with corporate executives meeting a newly retained outside lobbyist; etc.).
 - b. Expenses associated with complying with the laws regulating lobbying (e.g., expenses related to managing lobbying registration and reporting requirements, such as the value of employee time involved in recording, collecting, and compiling information required to be included on a lobbying report; expenses associated with obtaining legal counsel with respect to matters such as lobbyist registration, reporting and compliance with the gift ban; etc.).

- c. Expenses associated with monitoring political developments in Minnesota and ascertaining their impact on the company's legislative and administrative interests (e.g., expenses associated with consultants, surveys and polling used to assist in the development of long-term government affairs strategic planning; etc.).
8. Other expenditures are made in connection with a specific lobbying activity, such as:
- a. The principal's payment to a lobbyist for his or her time preparing for and communicating with a public official to influence that official.
 - b. The preparation of materials used in efforts to influence a public official.
 - c. Expenses associated with meetings wherein strategy is discussed relative to a particular legislative or administrative matter that the principal and lobbyist intend to influence.
 - d. Travel expenses relating to a non-lobbyist executive of the company appearing to provide testimony before a legislative committee on a bill that the company supports.
9. Between these two categories of expenditures are other expenditures that are ostensibly lobbying-related but which cannot be said to directly support a lobbying communication, such as those related to:
- a. Strategic consultations with respect to general legislative and administrative interests in Minnesota (e.g., expenses associated with meetings wherein general lobbying-related planning and strategy are discussed; discussions with consultants regarding the effectiveness and implementation of various strategies for advancing legislative and administrative interests, etc.);
 - b. Updates on the status of government affairs projects or lobbying activity (e.g., preparation of internal reports for company executives relating to the status of various government affairs initiatives in Minnesota; etc.); and
 - c. Public relations-related activities designed to influence the general public's opinion about a particular legislative or administrative matter in Minnesota, but which do not urge any specific action on the part of the general public.

Based on these hypothetical facts, you ask for the Board's opinion regarding the application of Minnesota's lobbyist/principal reporting requirements.

Question One

Under Minnesota Rules 4501.0100, subpart 4, "compensation paid to the lobbyist" is not reported on a lobbyist disbursement report but is included on the annual report of lobbyist principal. How can ABC Company determine what constitutes "compensation paid to the lobbyist" when XYZ Law Firm provides the services of a lobbyist as well as lobbying support and other services?

Opinion

The concept of "compensation paid to the lobbyist" is important because it defines a category of payments that are *excluded* from the periodic reports of disbursements filed by lobbyists but are *included* in the lump-sum amount reported by a principal annually.

This principle is codified in Minnesota Rules 4511.0700 as follows:

Subpart 1. **Reporting by lobbyist.** Compensation paid to a lobbyist for lobbying is not reportable by the lobbyist as a lobbyist disbursement.

Subp. 2. **Reporting by principal.** Compensation for lobbying paid by a lobbyist principal to a lobbyist or to the employer of a lobbyist must be included when determining the spending level categories for reporting by the lobbyist principal.

Subpart 1 above clarifies that the compensation in question is "compensation paid to a lobbyist *for lobbying*." The rule contemplates, and the present request demonstrates, that a person who is a lobbyist for an association may receive compensation for services other than lobbying. When applying Chapter 10A, the Board will interpret the phrase "compensation paid to a lobbyist" to be limited to that compensation paid to the lobbyist *for lobbying*.

In the present context, the word "compensation" is used in its ordinary sense, which means consideration for services. Reimbursements for expenses are separate from compensation and, if in support of lobbying, must be included in lobbyist disbursement reports.

Subpart 2 of the rule quoted above also makes it clear that compensation paid to a lobbyist includes compensation paid to the lobbyist's employer *for the lobbying services* provided by the lobbyist.

The definition of "lobbying" is provided in Minnesota Rules 4511.0100, subpart 3. Lobbying includes (1) communicating with officials for the purpose of influencing official action, (2) urging others to communicate with officials for the purpose of influencing official action, and (3) any activity that directly supports either of these types of communication.

From the above definition, it follows that compensation paid to a lobbyist is the consideration paid to the lobbyist or the lobbyist's employer for the time that the lobbyist spends (1) communicating with officials to urge official action, (2) urging others to communicate with officials to urge official action, and (3) engaging in any other activity that directly support these activities. Compensation for these activities is included in the annual principal's report but is excluded from lobbyist disbursement reports.

Non-lobbyists may also provide services in support of lobbying and a law firm may have other expenditures that constitute lobbying. These payments are not part of the compensation paid to the lobbyist. As a result, they must be included in the lobbyist disbursement reports.

Question Two

How would "compensation paid to the lobbyist" be reported if ABC Company paid XYZ law firm \$25,000 for general government affairs representation during the five-month reporting period from January through May (\$5,000 per month) but the law firm only performs \$10,000 of work

for ABC Company during the period? That is, how is compensation paid by the principal to the lobbying firm, but which is not specifically attributable to any work performed, to be reported?

Opinion

This question asks how much of a principal's payments are for "compensation paid to the lobbyist" when a fixed-fee retainer agreement includes compensation for a broad range of services and the payments for those services do not correspond to the time when the services are actually provided.

To simplify the discussion, the Board assumes that out-of-pocket disbursements made by XYZ law firm on behalf of ABC Company are reimbursed in addition to payments made under the retainer agreement. If the disbursements constitute lobbyist disbursements, they will be included on the lobbyist's report.

The Board also assumes that the retainer agreement is intended to fairly compensate the law firm for all of the services it provides. To reach this goal, the law firm and the client must have a shared expectation about the amount of services that they expect to be performed over the course of a year and about the assumed rates of compensation for various types of services.

The request suggests that the payment of \$5,000 each month is compensation for the services provided in that particular month. This is not the approach suggested by Chapter 10A. In the campaign finance program, an expenditure is deemed to be incurred when the obligation to make the expenditure is incurred. Under this approach, which the Board now adopts for lobbying as well, the compensation for XYZ law firm's services for the year is \$60,000. This obligation was incurred at the beginning of the year when ABC Company and XYZ law firm entered into the year-long retainer agreement. The \$60,000 happens to be paid over the course of the year at the rate of \$5,000 per month.

Under section 10A.025, subdivision 3, a person is required to keep detailed records sufficient to support what is included in a report filed with the Board. Under that statute, XYZ law firm must develop and maintain records that reflect with a reasonable degree of accuracy the amount of time spent on the various types of services it provides to ABC Company. These records must separately track the services of the XYZ law firm lobbyist for lobbying or in support of lobbying, services of others for activities in support of lobbying, and non-lobbying services.

Minnesota Rules 4511.0600 requires that, to the extent that actual costs of lobbying activities can be calculated by reasonable means, the actual costs must be used for reporting. The rule also provides that when actual costs cannot be calculated by reasonable means, a reasonable approximation may be used. The procedure set forth in the remainder of this section will produce a reasonable approximation of lobbying costs for reporting purposes.

Lobbyists file two reports annually. The first report covers from January 1 through May 31 of the year and is due June 15. The second report covers the remainder of the year and is due by January 15th of the following year. Under the stated facts, a member of the XYZ law firm is ABC Company's designated lobbyist. Therefore, that individual will be responsible for reporting all of ABC Company's lobbyist disbursements.

After the May 31 cutoff date for disbursements included on the first report, XYZ law firm must review its records to determine the number of hours of work provided for each type of service. Minimally, the classes of service must include class (a): services of the lobbyist for lobbying and

in support of lobbying, class (b): services of others in support of lobbying, and class (c): services that are not included in (a) or (b) above.

Having determined the number of hours for each class of service, XYZ law firm must multiply those hours by the assumed rate for each service to get the total cost of each class of service. If the total calculated for all services is not reasonable based on the parties' expectations of services to be performed during the remaining seven months of the year, the assumed rate for each type of service must be adjusted so that the anticipated cost for all services expected to be provided over the course of the year equals \$60,000.

The value of class (b) services, as calculated above, must be disclosed on the lobbyist disbursement report. Both class (a) and class (b) services will be included in the total disbursements reported by ABC Company on its annual principal report. Class (c) services are not subject to disclosure under Chapter 10A.

For the year-end lobbyist disbursement report, the balance of the \$60,000 contract not accounted for in the calculations for the first five months must be allocated to the services provided in the last seven months of the year. XYZ law firm again must review its records to determine the number of hours of work provided for each type of service. XYZ law firm should multiply the number of hours for each class of service by the assumed rates for each class to obtain the value of each class of service. If the total of these three values does not equal the unaccounted-for balance of the contract, a pro-rata adjustment of the total for each class of service should be taken so that the total value of the contract over the year equals \$60,000.

Question Three

Minnesota Rules 4511.0600 lists specific categories of lobbying disbursements that must be reported. But the subparts and items in this rule use different phrases to refer to the different categories of lobbying disbursements. Does the use of these different phrases create different standards for determining whether an expense is sufficiently connected to lobbying to constitute a reportable disbursement? Is there a general rule that can be applied in all situations to determine if an expense is a reportable lobbying disbursement?

Opinion

Minnesota Statutes section 10A.04, subdivision 4, requires lobbyist disbursements to be reported in specific categories such as the cost of publications used in lobbying, postage, travel, entertainment, and other expenses. Minnesota Rules 4511.0600 further defines these specific categories of lobbyist disbursements and provides additional guidance for reporting lobbyist disbursements. The rule's subparts and items, however, use slightly different phrases to refer to the lobbying disbursements that must be reported. For example, subparts 1 and 2 refer to disbursements for "lobbying activities" while subpart 5, item A, refers to "materials that directly support lobbying." Subpart 5, item D refers to "costs associated with lobbying activities" while two other categories of disbursements, entertainment and food and beverage, refer to costs "associated with any situation where lobbying activities take place."

The rule's use of these slightly different phrases does not create different standards for determining whether an expense is sufficiently connected to lobbying to constitute a reportable disbursement. Minnesota Statutes section 10A.04, subdivision 4, requires a lobbyist to report "total disbursements on lobbying." "Lobbyist's disbursements" are "all disbursements for lobbying made by the lobbyist, the lobbyist's employer or employee, or any person or

association represented by the lobbyist, but do not include compensation paid to the lobbyist.”
Minn. R. 4511.0100, subpt. 4.

As stated earlier in this opinion, lobbying is defined as (1) communicating with officials for the purpose of influencing official action, (2) urging others to communicate with officials for the purpose of influencing official action, and (3) any activity that directly supports either of these types of communication. Minn. R. 4511.0100, subpt. 3. In the Statement of Need and Reasonableness for this rule, the Board said that this definition of lobbying was reasonable because it

includes in lobbying those activities which directly support the key component, which is communication. Without this addition, the definition would be incomplete when applied to such concepts as disbursements for lobbying, most of which are in support of the actual communication, which is the end result of the process. If disbursements for lobbying did not include support activities, there would be virtually no disbursements for lobbying and no disclosure under the statute.

When Minnesota Rules 4511.0600 is read with the definition of lobbying and its history in mind, it becomes clear what costs must be reported as lobbying disbursements. Because the key component of lobbying is communication, a cost is a lobbyist disbursement if it is incurred (1) to communicate with officials for the purpose of influencing official action, (2) to urge others to communicate with officials for the purpose of influencing official action, or (3) for any activity that directly supports either of these types of communication.

As a specific example, the costs of travel “associated with lobbying activities” means travel costs incurred by someone other than the lobbyist (1) to communicate with officials for the purpose of influencing official action, (2) to urge others to communicate with officials for the purpose of influencing official action, or (3) for any activity that directly supports either of these types of communication. Similarly, costs “associated with any situation where lobbying activities take place” means the costs of any setting where communicating with officials for the purpose of influencing governmental action; urging others to communicate with officials for the purpose of influencing governmental action; or anything that directly supports either of these types of communication takes place.

Because communication is the end result of the lobbying process, an expense may be incurred long before the actual communication takes place. But if the expense is used for communicating with an official, urging others to communicate with an official, or for any activity that directly supports either of these types of communications, it is a lobbying disbursement that must be reported.

In this opinion, the Board has stated a general rule for determining when an expense is a lobbying disbursement. If the requester wants the Board's advice on the application of that rule to specific disbursements, the requester may submit another advisory opinion request.

Question Four

Minnesota Statutes section 10A.04, subdivision 6, paragraph (b), requires principals to report the total amount spent to influence official action. This statute does not require the influence on official action to include any communication with government officials. Does this omission require principals to use a different standard than lobbyists use to determine what expenses to

include on the annual principal report? If principals are required to use a different standard to determine what to report, what is this standard?

Opinion

Minnesota Statutes section 10A.04, subdivision 6, paragraph (b), provides that a principal “must report the total amount, rounded to the nearest \$20,000, spent by the principal during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units.” This statute does not require the efforts to influence official action to include any communication with government officials.

This broader reporting requirement is consistent with the definition of “principal.” Minnesota Statutes section 10A.01, subdivision 33, provides as follows:

"Principal" means an individual or association that:

(1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or

(2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units, as described in section 10A.04, subdivision 6.

The influence on governmental action described in clause 2 is not limited to communicating with or urging others to communicate with government officials as it is in the definition of lobbyist. See Minn. Stat. § 10A.01, subd. 21 (defining lobbyist). Consequently, an entity could become a principal under Minnesota Statutes section 10A.01, subdivision 33, without ever communicating with or encouraging others to communicate with a government official.

Further, an entity that is a principal because it has a lobbyist also may make additional expenditures to influence governmental action that do not involve communicating with or urging others to communicate with government officials. Minnesota Statutes section 10A.04, subdivision 6, paragraph (b), is written more broadly than the lobbyist reporting requirements to ensure that the total amount spent by a principal on all attempts to influence governmental action is disclosed.

Minnesota Statutes section 10A.04, subdivision 6, paragraph (c) (2), specifies that the total amount reported by the principal must include “all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in this state.” Unlike Minnesota Statutes section 10A.04, subdivision 6, paragraph (b), this provision does not use the words “to influence” to limit the expenses that must be reported.

An entity becomes a principal because it has taken steps to influence governmental action either by hiring a lobbyist or by spending \$50,000 or more directly on this goal. The activities listed in Minnesota Statutes section 10A.04, subdivision 6 (c) (2), all could be used to support the principal’s efforts to influence governmental action either through its lobbyist or through direct spending on issues. For example, a public relations campaign could be used to change public opinion on an issue that is, or that will be, before the legislature. Because the activities listed in subdivision 6 (c) (2) provide the underlying support for the principal’s efforts to influence

governmental action, the principal must include the cost of those activities in the total amount spent on lobbying.

Dated: March 5, 2013

/s/ Andrew M. Luger

Andrew M. Luger, Chair
Campaign Finance and Public Disclosure Board

Relevant Statutes and Rules

Minnesota Statutes

10A.01 DEFINITIONS

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Subd. 33. **Principal.** "Principal" means an individual or association that:

(1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or

(2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units, as described in section 10A.04, subdivision 6.

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10A.04 LOBBYIST REPORTS.

Subdivision 1. **Reports required.** A lobbyist must file reports of the lobbyist's activities with the board as long as the lobbyist continues to lobby. The report may be filed electronically. A lobbyist may file a termination statement at any time after ceasing to lobby.

Subd. 2. **Time of reports.** Each report must cover the time from the last day of the period covered by the last report to 15 days before the current filing date. The reports must be filed with the board by the following dates:

(1) January 15; and

(2) June 15.

Subd. 3. **Information to lobbyist.** An employer or employee about whose activities a lobbyist is required to report must provide the information required by subdivision 4 to the lobbyist no later than five days before the prescribed filing date.

Subd. 4. **Content.** (a) A report under this section must include information the board requires from the registration form and the information required by this subdivision for the reporting period.

(b) A lobbyist must report the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses.

(c) A lobbyist must report the amount and nature of each gift, item, or benefit, excluding contributions to a candidate, equal in value to \$5 or more, given or paid to any official, as defined in section 10A.071, subdivision 1, by the lobbyist or an employer or employee of the lobbyist. The list must include the name and address of each official to whom the gift, item, or benefit was given or paid and the date it was given or paid.

(d) A lobbyist must report each original source of money in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, administrative action, or the official action of a metropolitan governmental unit. The list must include the name, address, and employer, or, if self-employed, the occupation and principal place of business, of each payer of money in excess of \$500.

(e) On the report due June 15, the lobbyist must provide a general description of the subjects lobbied in the previous 12 months.

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Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) Except as provided in paragraph (d), the principal must report the total amount, rounded to the nearest \$20,000, spent by the principal during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units.

(c) Except as provided in paragraph (d), the principal must report under this subdivision a total amount that includes:

- (1) all direct payments by the principal to lobbyists in this state;
- (2) all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in this state; and
- (3) all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in this state.

(d) A principal that must report spending to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243 must report those amounts as provided in this subdivision, except that they must be reported separately and not included in the totals required under paragraphs (b) and (c).

Minnesota Rules

4511.0100 DEFINITIONS.

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Subp. 1a. **Designated lobbyist.** "Designated lobbyist" means a lobbyist responsible for reporting the lobbying disbursements of the entity the lobbyist represents. An entity that employs lobbyists may have only one designated lobbyist at any given time.

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Subp. 3. **Lobbying.** "Lobbying" means attempting to influence legislative action, administrative action, or the official action of a metropolitan governmental unit by communicating with or urging others to communicate with public officials or local officials in metropolitan governmental units. Any activity that directly supports this communication is considered a part of lobbying.

Subp. 4. **Lobbyist's disbursements.** "Lobbyist's disbursements" include all disbursements for lobbying made by the lobbyist, the lobbyist's employer or employee, or any person or association represented by the lobbyist, but do not include compensation paid to the lobbyist.

4511.0200 REGISTRATION.

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Subp. 3. **Registration of designated lobbyist.** A designated lobbyist must indicate on the lobbyist registration form that the lobbyist will be reporting disbursements for the entity the lobbyist represents. An entity that employs lobbyists may have only one designated lobbyist. A designated lobbyist who ceases to be responsible for reporting the lobbying disbursements of an entity must amend the lobbyist's registration with the board within ten days.

4511.0600 REPORTING DISBURSEMENTS.

Subpart 1. **Determination of actual costs required.** To the extent that actual costs of lobbying activities can be obtained or calculated by reasonable means, those actual costs must be determined, recorded, and used for reporting purposes.

Subp. 2. **Approximation of costs.** If the actual cost of a lobbying activity cannot be obtained or calculated through reasonable means, those costs must be reasonably approximated.

Subp. 3. **Disbursements allocated between multiple entities.** A disbursement for lobbying purposes that benefits more than one entity for which a lobbyist is separately registered must be allocated between the entities benefited on a reasonable basis and reported based on that allocation.

Subp. 4. **Disbursements which are only partially in support of lobbying.** A disbursement that is partially in support of lobbying and partially for a nonlobbying purpose must be allocated on a reasonable basis between the two purposes and the portion which is for lobbying activities must be reported.

Subp. 5. **Specific disbursement categories.** Lobbying disbursements must be reported based on the categories in items A to I.

- A. "Lobbying materials" includes the cost of production, purchase, or other acquisition of materials that directly support lobbying.
- B. "Media costs" includes the cost of media space or time, including Web site design and maintenance, used for lobbying activities. The cost of preparation of materials for use in the media is reported in the lobbying materials category.

- C. "Telephone and communications" includes costs for local and long-distance telephone services, electronic mail, pagers, cellular telephones, facsimile distribution services, telegraph, and other communications services.
- D. "Postage and distribution" includes costs of postage from the United States Postal Service as well as other distribution costs associated with lobbying activities.
- E. "Fees and allowances" includes fees for consulting, surveys, polls, legal counsel, or other services as well as expenses associated with those services.
- F. "Entertainment" includes costs of all entertainment associated with any situation where lobbying activities take place.
- G. "Food and beverages" includes costs of all food and beverages associated with any situation where lobbying activities take place.
- H. "Travel and lodging" includes costs of all travel and lodging associated with any lobbying activity, excluding the costs of the lobbyist's own travel to accomplish the lobbying activity.
- I. "Other disbursements" includes general administration and overhead and any other lobbyist disbursements not reported in other categories.

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4511.0700 REPORTING COMPENSATION PAID TO LOBBYIST.

Subpart 1. **Reporting by lobbyist.** Compensation paid to a lobbyist for lobbying is not reportable by the lobbyist as a lobbyist disbursement.

Subp. 2. **Reporting by principal.** Compensation for lobbying paid by a lobbyist principal to a lobbyist or to the employer of a lobbyist must be included when determining the spending level categories for reporting by the lobbyist principal.