



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

April 20, 2015

KEN SAGAR, TREASURER
IOWA DEMOCRATIC PARTY
5661 FLEUR DRIVE
DES MOINES, IA 50321

Response Due Date
05/26/2015

IDENTIFICATION NUMBER: C00035600

REFERENCE: YEAR-END REPORT (11/25/2014 - 12/31/2014)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 3 item(s):

1. Schedule A supporting Line 12 discloses a transfer(s)-in from the "Democratic Congressional Campaign Committee," the "Democratic Senatorial Campaign Committee," and the "DNC SERVICES CORPORATION / DEMOCRATIC NATIONAL COMMI." Schedule B supporting Line 30(b) reflects payments for "Brochure (not a public communication)," "Doorknocking," "Exempt Mail (Braley)," "Shirts (not a public communication)," "Stickers (not a public communication)," and "T-Shirts (not a public communication)." Please be advised that a state or local party committee may pay for campaign materials (such as pins, posters, bumper stickers and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election and for voter drive activity conducted on behalf of the party's Presidential and Vice Presidential nominees. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

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If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate. Please amend your report or provide clarifying information.

2. Schedule A supporting Line 12 discloses a transfer(s)-in from the "Democratic Congressional Campaign Committee," the "Democratic Senatorial Campaign Committee," and the "DNC SERVICES CORPORATION / DEMOCRATIC NATIONAL COMMI." Schedule H6 supporting Line 30(a) reflects payments for Federal Election Activity. Please be advised that under 11 CFR §300.34, a State, district or local party committee must not use any Federal funds transferred to it from a national party committee or any other State, district or local party committee, as the Federal component of an expenditure or disbursement for Federal Election Activity. Furthermore, your committee must itself raise the Federal component of expenditure or disbursement allocated between Federal and Levin funds.

Please clarify whether the transfer(s)-in was used for the subsequent payments for Federal Election Activity. In addition, please clarify the procedures you are currently using to ensure that Federal funds transferred to your committee from national, State, district and local party committees are not being used for Federal Election Activity.

3. The Detailed Summary Page, on Line 18(a) Column A of your "12 Day Pre-General (10/1/14 - 10/15/14)," "30 Day Post-General (10/16/2014 - 11/24/2014)," and "Year End (11/25/14 - 12/31/14)" Reports combined, discloses \$278,231.38 in transfers from the non-federal account for allocated activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$189,547.46 as the non-federal share for allocated activity for the reporting period. While the non-federal account is permitted to transfer funds to the federal account for allocated activity, transfers for allocated activity must be made within a 70-day time period: no more than 10 days before or 60 days after the payment to the vendor. (11 CFR §§106.6(e)(2) and 106.7(f)(2)) Please clarify the nature of the transfers-in from the non-federal account.

The Commission recommends that you immediately transfer back to the non-federal account, the total excessive amount which was received by your federal account outside the 70-day time period. Although the Commission may take further legal action concerning this prohibited activity, your prompt action

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will be taken into consideration.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1144.

Sincerely,

A handwritten signature in black ink that reads "Edward D. Ryan". The signature is written in a cursive style with a large, stylized "E" and "R".

Edward Ryan
Senior Campaign Finance Analyst
Reports Analysis Division