



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

RQ-2

January 19, 2005

Deborah Trudell, Treasurer
Nevada State Democratic Party
409 Horn Street
Las Vegas, NV 89107

Response Due Date:
February 18, 2005

Identification Number: C00208991

Reference: Amended May Monthly Report (4/1/04-4/30/04), received 12/15/04

Dear Ms. Trudell:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-The totals listed on Lines 11(a)(iii), 11(c), 21(a)(i), 21(a)(ii) and 32 Column B of the Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Your report discloses additional debts totaling \$53,572.05 on Line(s) 10 of the Detailed Summary Page that were not disclosed on your original report. Please provide clarifying information as to why this activity was not disclosed on your original report.

-On Schedule H4, your allocated activity or event year-to-date total calculations for the Administrative category and the "H Clinton Reception" are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive and exempt activity costs are derived by aggregating all disbursements during the calendar year for each separate category. Allocated activity or event year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements during the calendar year within a specific event. These

should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals.

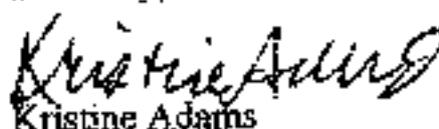
-Schedule B supporting Line 29 of your report discloses a disbursement for an apparent refund or rebate to your non-federal account for a previously allocated expense. Please clarify the name(s) of the vendor, amount(s), and date(s) of this apparent refund received by your federal account. Furthermore, the federal account must transfer the non-federal portion to the non-federal account using one of two methods.

The method of reporting described in Advisory Opinion 1995-22 allows a committee to itemize the refund or rebate as a negative entry on Schedule H4. Alternatively, a committee may disclose the receipt of the refund or rebate into the federal account on Schedule A supporting Line 15, and the transfer of the non-federal account's share to the non-federal account on Schedule H4. Please refer to the enclosed sample of properly reported refunds and rebates of allocable activity and amend your report as appropriate.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. 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.

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) 694-1141.

Sincerely,



Kristine Adams
Campaign Finance Analyst
Reports Analysis Division

Sample

ALLOCATION OF REBATE (H4) (METHOD 1)

SCHEDULE H4 (FEC Form 80)		DISBURSEMENT FOR SHARED FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE	
NAME OF COMMITTEE (or POC)			
Freedom Party State Committee			
A. ALL NON-FEDERAL FUNDS (Include 1099-MISC)		FEDERAL FUNDS (Include 1099-MISC)	
Name of Vendor Acme Office Supplies		<input checked="" type="checkbox"/> Materials <input type="checkbox"/> Printing <input type="checkbox"/> Other <input type="checkbox"/> Travel <input type="checkbox"/> Other Campaign Expense	
Mailing Address 111 Parkside St.		<input type="checkbox"/> Year-Over <input type="checkbox"/> Other Year-to-Date FEDERAL ACTIVITY (or Other Year-to-Date)	
City CNY	State NY	Zip Code 13000	FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00
Purpose of Disbursement Rebate		FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00	NON-FEDERAL ACTIVITY (or Other Year-to-Date) \$400.00
Name of Recipient None		FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00	
Address of Recipient		FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00	
FEDERAL ACTIVITY (or Other Year-to-Date) \$-144.00		NON-FEDERAL ACTIVITY (or Other Year-to-Date) \$-256.00	
TOTAL		TOTAL	

RECEIPT OF REBATE (A/LINE 15) (METHOD 2)

SCHEDULE A (FEC Form 28)		RECEIVED RECEIPTS	
NAME OF COMMITTEE (or POC)			
Freedom Party State Committee			
A. ALL NON-FEDERAL FUNDS (Include 1099-MISC)		FEDERAL FUNDS (Include 1099-MISC)	
Name of Vendor Acme Office Supplies		<input checked="" type="checkbox"/> Materials <input type="checkbox"/> Printing <input type="checkbox"/> Other <input type="checkbox"/> Travel <input type="checkbox"/> Other Campaign Expense	
Mailing Address 111 Parkside St.		<input type="checkbox"/> Year-Over <input type="checkbox"/> Other Year-to-Date FEDERAL ACTIVITY (or Other Year-to-Date)	
City CNY	State NY	Zip Code 13000	FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00
Purpose of Disbursement Rebate		FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00	
Name of Recipient None		FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00	
Address of Recipient		FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00	
FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00		NON-FEDERAL ACTIVITY (or Other Year-to-Date) \$400.00	
TOTAL		TOTAL	

NONFEDERAL TRANSFER (H4) (METHOD 2)

SCHEDULE H4 (FEC Form 80)		DISBURSEMENT FOR SHARED FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE	
NAME OF COMMITTEE (or POC)			
Freedom Party State Committee			
A. ALL NON-FEDERAL FUNDS (Include 1099-MISC)		FEDERAL FUNDS (Include 1099-MISC)	
Name of Vendor Acme Office Supplies		<input checked="" type="checkbox"/> Materials <input type="checkbox"/> Printing <input type="checkbox"/> Other <input type="checkbox"/> Travel <input type="checkbox"/> Other Campaign Expense	
Mailing Address 111 Parkside St.		<input type="checkbox"/> Year-Over <input type="checkbox"/> Other Year-to-Date FEDERAL ACTIVITY (or Other Year-to-Date)	
City CNY	State NY	Zip Code 13000	FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00
Purpose of Disbursement Transfer of Nonfederal Share of Rebate (See Schedule A)		FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00	
Name of Recipient None		FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00	
Address of Recipient		FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00	
FEDERAL ACTIVITY (or Other Year-to-Date) \$256.00		NON-FEDERAL ACTIVITY (or Other Year-to-Date) \$0.00	
TOTAL		TOTAL	

9. Refunds and Rebates of Allocable Expenses

If a committee receives a refund or a rebate of an allocable expense, the refund or rebate must be deposited in the federal or allocation account. The refund or rebate must then be allocated between the federal and nonfederal accounts according to the same allocation ratio used to allocate the original disbursement. The federal account must transfer the non-federal portion to the nonfederal account.

Example

A committee receives a \$400 rebate on office equipment from the Acme Office Store. The original purchase was an administrative expense allocated according to the following ratio: 64 percent federal; 36 percent nonfederal.

Reporting Method 1 illustrates how this rebate would be reported according to the method approved in Advisory Opinion (AO) 1995-22. Reporting Method 2 shows how the rebate would be reported under an alternative method.

Reporting Method 1

Using the method of reporting described in AO 1995-22, the committee discloses the receipt of the rebate and the federal and nonfederal shares on Schedule H4.

The amounts are negative entries subtracted from total shared federal and nonfederal disbursements for the reporting period (disclosed on Lines 21a(i) and (ii) of the Detailed Summary Page).

Reporting Method 2

Under the alternative method, the committee reports the receipt of the \$400 rebate under the category "Offsets to Operating Expenditures" on

Line 15 of the Form 3X Detailed Summary Page.
The committee uses Schedule H4 to disclose the
federal account's \$256 transfer to the nonfederal
account for the nonfederal share.
