



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Clifton H W Maloney, Treasurer
Carolyn's PAC
49 East 92nd Street, #1A
New York, NY 10128

MAY 17 2000

Identification Number: C00341990

Reference: Year End Report (7/1/99-12/31/99)

Dear Mr. Maloney:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule(s) B, supporting Line(s) 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please verify that all expenses referenced above (i.e.,

rent, salaries, utilities, etc.) have been adequately disclosed. If these services have been provided by volunteers, please confirm this in writing.

-For future reporting, please be advised that only contributions to federal candidates and political committees should be itemized on a separate Schedule B supporting Line 23 of the Detailed Summary Page. Contributions to non-federal candidates and committees should be itemized on Schedule B supporting Line 29.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Scott Walker
Reports Analyst
Report Analysis Division

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses and income. The document also highlights the need for regular reconciliation of bank statements and the company's records to identify any discrepancies early on.

Furthermore, it stresses the importance of having a clear understanding of the company's financial position at all times. This involves monitoring cash flow, managing debt, and ensuring that the company has sufficient funds to meet its obligations. The document provides several practical tips for achieving these goals, such as setting up a budget and reviewing it regularly.

In addition, the document discusses the role of technology in modern accounting. It notes that while traditional methods like ledgers and journals were once the standard, the use of accounting software has become increasingly prevalent. This technology offers numerous advantages, including faster processing times, reduced risk of error, and the ability to generate reports and analyze data more effectively. However, it also cautions that users must ensure they are using reliable software and that their data is properly backed up and secured.

The document also touches upon the importance of staying up-to-date with changes in accounting standards and regulations. It notes that the accounting profession is constantly evolving, and businesses must adapt to these changes to remain compliant. This may involve attending seminars, taking courses, or consulting with professional accountants.

Finally, the document concludes by emphasizing the value of a strong financial foundation for the success of any business. It encourages business owners to take the time to understand their finances and to implement sound financial practices from the start. By doing so, they can better manage their resources, reduce risk, and position their business for long-term growth.