



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20541

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Charles W. Maas, Treasurer
San Luis Obispo County Democratic
Central Committee
P.O. Box 4422
San Luis Obispo, CA 93403

MAR 9 1994

Identification Number: C00276659

Reference: Mid-Year (1/1/93-6/30/93) and Year End (7/1/93-12/31/93) Reports

Dear Mr. Maas:

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. Each committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the BALLOT COMPOSITION METHOD derived from FEC Schedule H1. See 11 CFR §106.5(d)

Please note that if your non-federal account has paid for all of these costs, such payments are prohibited by 11 CFR §102.5 and the full federal portion of these expenses must be transferred to the non-federal account immediately. Please notify the Commission in writing and disclose the transfer by providing a Schedule B supporting Line 22 of your next report. Should your federal account not have enough funds to transfer its portion of shared expenses, a debt needs to be disclosed from your federal account to your non-federal account and reported on Schedule D. If your organization has incurred any of these costs which should have been allocated, but your non-federal account has paid for all of these costs, you are advised to correct any non-compliance with the Commission's Regulations and establish procedures to ensure future compliance with the Allocation Regulations.

(By checking the appropriate boxes on the Method of Allocation Schedule H1, committees calculate a federal allocation percentage based on the ratio of federal offices expected on the ballot to total federal and non-federal offices expected on the ballot in the next

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general election. The Schedule H1 must be filed with the first FEC FORM 3X submitted each year.)

In addition, Schedules H3 and H4 must be filed to properly allocate administrative costs between accounts on reports filed during the year. Please refer to 11 CFR §§106.5 and 104.10(b)(1).

Please be advised that in cases where the federal account has paid for the entire cost of a shared activity(ies), the amount should be reported on Schedule B supporting Line 21(b) for "Other Federal Operating Expenditures".

-Please provide a Schedule H3 to support the entry reported on Line 18 of the Detailed Summary Page. All transfers received from a committee's non-federal account for joint activity must be itemized on Schedule H3, regardless of the amount transferred. 2 U.S.C. §434(b)(3)(D)

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. My local number is (202) 219-3580.

Sincerely,



Stephen Cohen
Reports Analyst
Reports Analysis Division

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