



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-3

April 26, 2001

Jose F. Sosa, Treasurer
Johnson & Johnson Employees' Good
Government Fund
One Johnson & Johnson Plaza
New Brunswick, NJ 08933

Identification Number: C00010983

Reference: Year End Report (11/28/00-12/31/00)

Dear Mr. Sosa:

On April 4, 2001, you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your April 9, 2001, response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

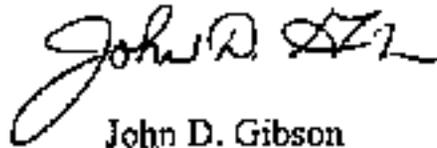
-Your amendment states the contributions to: Andrews, Berkley, Tauscher, Northup and Pryce, dated 12/11/2000, have been redesignated to the 2002 General election. Please provide the Commission with the dates of these redesignations.

An adequate response must be received at the Commission by May 16, 2001. 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.

If you should have any questions related to this matter, please contact Scott Walker on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the

Reports Analysis Division) or our local number (202) 694-1130.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Gibson". The signature is fluid and cursive, with a large initial "J" and a stylized "G".

John D. Gibson
Assistant Staff Director
Reports 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 data. This includes not only sales and purchases but also expenses and income. The text explains that proper record-keeping is essential for identifying trends, managing cash flow, and preparing for tax obligations. It also notes that clear records can help in resolving any disputes or discrepancies that may arise.

The second section focuses on the classification of expenses. It provides a detailed breakdown of various cost categories, such as direct materials, labor, and overheads. Each category is defined with specific examples to illustrate what should and should not be included. The document stresses the importance of consistent classification to allow for meaningful comparisons over time and across different departments or projects. It also mentions that regular audits of these classifications can help in identifying areas where costs are being misclassified or controlled.

The third part of the document addresses the issue of budgeting and variance analysis. It describes how to set realistic budgets based on historical data and current market conditions. The text explains the process of comparing actual performance against the budget to identify variances. It provides a framework for analyzing these variances, distinguishing between favorable and unfavorable ones, and determining their underlying causes. This analysis is presented as a key tool for improving operational efficiency and making informed strategic decisions.

The final section discusses the role of management in overseeing the financial health of the organization. It highlights the need for regular communication and reporting to senior management and the board. The text suggests that management should not only monitor the numbers but also understand the business drivers behind them. It encourages a proactive approach to financial management, where potential issues are identified and addressed before they become major problems. The document concludes by emphasizing that sound financial practices are the foundation of long-term business success.