



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

May 27, 2010

Alma Gonzalez, Treasurer
Democratic Executive Committee of Florida
214 South Bronough Street
Tallahassee, FL 32301

**Response Due Date:
July 1, 2010**

Identification Number: C00005561

Reference: Year End Report (12/1/09 – 12/31/09)

Dear Treasurer:

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. **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 8 items:

1. Schedule A supporting Line 12 of your report discloses transfers from apparent joint fundraising committees. In addition, your report includes memo entries on Schedule A for what appears to be your committee's share of the gross contributions received through these joint fundraising efforts. Please amend your report to clearly identify on the Schedule A, which joint fundraising committee each memo entry relates to.
2. Schedule A supporting Line 15 of your report discloses offsets to operating expenditures totaling \$61,893.44 from "United States Treasury," "Ashley Walker" and "Disney Worldwide Services, Inc."; however, your report(s) do not appear to disclose disbursements to these entities. Please provide clarifying information regarding this activity and amend your report(s) if necessary.
3. Schedule B supporting Line 21(b) of the Detailed Summary Page discloses voided checks of what appears to be previously disclosed allocable expense(s) made to "Embarq Communications (\$634.89)," "US Airways" and "Payroll Matters." Please be advised that when a committee voids a check for an allocable expense, the voided disbursements should appear as negative entries on Schedule H4 according to the same allocation ratio used to allocate the original disbursement. Please amend your report to

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properly disclose these transactions on Schedule H4. Also, please clarify if and when these checks were reissued. If they were not reissued, please clarify the steps your committee has taken in order to avoid the acceptance of a prohibited in-kind contribution(s).

4. The Detailed Summary Page, on Line 18(a) Column A of your Amended November Monthly (10/1/09 – 10/31/09), received 4/28/10, December Monthly (11/1/09 – 11/30/09) and Year End (12/1/09 – 12/31/09) Reports combined, discloses \$358,994.71 in transfers from the non-federal account for allocated Administrative activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$235,490.41 as the non-federal share for allocated Administrative 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 will be taken into consideration.

5. Schedule B supporting Line 21(b) of your report discloses voided or returned check(s) for expenditure(s) made during this or a previous reporting period. Please clarify if and when these check(s) were reissued. If they were not reissued, please clarify the steps your committee has taken in order to avoid the acceptance of a prohibited in-kind contribution(s).

6. Schedule B supporting Line 29 indicates that a transfer has been made to your Non-Federal account for "Refund of Non Federal H3 funds." This disbursement also includes the following memo text: "Post Conference ratio re-evaluated and adjusted. Committee refunded non federal funds in excess of split." If this disbursement refers to an allocable fundraising event by your committee, please provide a Schedule H2 which indicates the date and revised allocation ratio of the fundraising program or event. In the case of a telemarketing or direct mail campaign, the "date" is the last day of the telemarketing campaign, or the day on which the final direct mail solicitations are mailed. 11 CFR §§106.6(d)(2) and 106.7(d)(4)(ii) In the event that an excessive non-federal transfer was received, the excessive

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amount should be transferred back to your non-federal account on Schedule H4 supporting Line 21(a).

In addition, any corrective transfers to your non-federal account for this transaction must be disclosed on Schedule H4 as a 100% federal disbursement. (See Attached Sample.) Please amend your report, as appropriate.

7. Schedule H4 of your report discloses reimbursements to individuals for "Staff Reimbursement" (Thurman, Karen L). Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to clarify one of the corresponding memo entries for the transaction disbursed to Mr. Leonard Pepper for "Travel/Lodging." 11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3

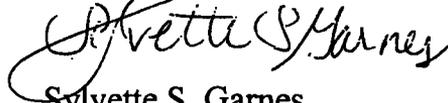
8. Schedule H4 of your report discloses voided or returned checks for expenditures made during this or previous reporting periods. Please clarify if and when these checks were reissued. If they were not reissued, please clarify the steps your committee has taken to account for the federal portion of these voided or returned checks in order to avoid the acceptance of a prohibited in-kind contribution.

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) 694-1393.

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Sincerely,



Sylvette S. Garnes
Senior Campaign Finance Analyst
Reports Analysis Division

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SAMPLE

Campaign Guide for Political Party Committees

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ALLOCATED PAYMENT (H4)

SCHEDULE H4 (FEC Form 3X)
DISBURSEMENT FOR SHARED FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULE

PAGE 1 OF 1
FOR LINE 21a OF FORM 3X

NAME OF COMMITTEE (in Full)
Freedom Party State Committee

A. Full Name (Last, First, Middle Initial)
Champagne Jam Party Planners

Mailing Address
112 Meadow Drive
City ST 00000

Purpose of Disbursement:
Fundraising Consulting

Activity or Event Identifier:
Memorial Day Gala

Allocated Activity or Event:
 Administrative Fundraising Expense
 Voter Drive Direct Candidate Support

Allocated Activity or Event Year-To-Date
\$0,000.00

Date: 05/30/2010

FEDERAL SHARE	+	NON-FEDERAL SHARE	=	TOTAL AMOUNT
15,000.00		35,000.00		50,000.00

(Further ratio adjustments will be necessary if additional receipts come in.)

Federal Transfer (H4)

If the adjusted ratio increases the federal portion, the federal (or allocation) account must make a transfer to the nonfederal account for the nonfederal overpayment. See Payment of Allocated Expenses: Transfers from Federal Account above. The date of the program or event must be noted when reporting a transfer based on an adjusted ratio.

Committee estimates the ratio on Schedule H2, as shown in the illustration.

The committee must continue to file Schedule H2 with each report disclosing a disbursement for "Memorial Day Gala."

Nonfederal Transfer (H3)

Using Schedule H3, the Freedom Party State Committee reports the transfer received from the nonfederal account to pay the nonfederal portion of "Memorial Day Gala" (\$35,000). The unique identifier is again noted. See page 99.

(The total amount of transfers itemized on Schedule H3 is entered on Line 18(a) of the Detailed Summary Page.)

Adjusted Ratio (H2)

Nonfederal Transfer (H3)

If the adjusted ratio increases the nonfederal portion, the nonfederal account may transfer the additional amount to the federal account if it does so within 60 days after the date of the event. Nonfederal transfers are itemized on Schedule H3. The date of the program or event must be noted

Payments (H4)

The committee discloses the federal and nonfederal shares of "Memorial Day Gala" payments on Schedule H4, again using the unique identifier. See example above.

(The federal and nonfederal payments totals that appear on Schedule H4 are entered on Lines 21a(i) and (ii) of the Detailed Summary Page.)

Adjusted Ratio (H2)

Within 60 days after the last day of the program or event, the committee needs to adjust the allocation ratio to reflect the actual ratio of federal receipts to total receipts. The committee reports the adjusted ratio on Schedule H2. Note that the committee must disclose the date of a fundraising program or event when reporting an adjustment to the ratio.

ADJUSTED RATIO: FEDERAL PERCENTAGE INCREASED (H2)

SCHEDULE H2 (FEC Form 3X)
ALLOCATION RATIOS

PAGE 1 OF 1

NAME OF COMMITTEE (in Full)
Freedom Party State Committee

RATIOS FOR ALLOCABLE FUNDRAISING EVENTS AND DIRECT CANDIDATE SUPPORT
ACTIVITIES APPEARING ON THIS REPORT.

Methods of allocation:

- FUNDRAISING activities are allocated using the "funds received method" where the federal proportion of expenses must equal the federal proportion of monies raised
- Shared DIRECT CANDIDATE SUPPORT activities are allocated according to benefit expected to be derived, where the federal proportion of disbursements is based on the benefit derived by federal candidates from the activity

ACTIVITY OR EVENT IDENTIFIER
Memorial Day Gala (event date 4/28/10)

FEDERAL %: 60.00%
NON-FEDERAL %: 40.00%

ACTIVITY IS:
 Fundraising Direct Candidate Support

CHECK IF THE RATIO IS:
 New Revised Same as Previously Reported

FEDERAL TRANSFER (H4)

SCHEDULE H4 (FEC Form 3X)
DISBURSEMENT FOR SHARED FEDERAL/NON-FEDERAL
ACTIVITY SCHEDULE

PAGE 1 OF 1
FOR LINE 21a OF FORM 3X

NAME OF COMMITTEE (in Full)
Freedom Party State Committee

A. Full Name (Last, First, Middle Initial)
Nonfederal Account

Mailing Address
123 Washington Street
City ST 00000

Purpose of Disbursement:
Ratio Adjustment Transfer

Activity or Event Identifier:
Memorial Day Gala (4/28/10)

Allocated Activity or Event:
 Administrative Fundraising Expense
 Voter Drive Direct Candidate Support

Allocated Activity or Event Year-To-Date
\$0,000.00

Date: 06/15/2010

FEDERAL SHARE	+	NON-FEDERAL SHARE	=	TOTAL AMOUNT
15,000.00				15,000.00