



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

April 21, 2015

JAMES JACQUETTE, TREASURER
RHODE ISLAND REPUBLICAN STATE CENTRAL
COMMITTEE
1800 POST ROAD SUITE 17-I
WARWICK, RI 02886

Response Due Date
05/26/2015

IDENTIFICATION NUMBER: C00078196

REFERENCE: OCTOBER QUARTERLY REPORT (07/01/2014 - 09/30/2014)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report 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 6 item(s):

1. On Schedule H3 supporting Line 18(a) of the Detailed Summary Page, you have failed to provide a breakdown of transfers received by the federal account. Please amend your report to include the missing information. (11 CFR § 104.10(b)(3) and 104.17(b)(2))
2. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Commission," "Insurance," "Payroll," "staff salary," "taxes," "taxes/withholding," and "taxes on payroll." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal Election Activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible

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and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

3. Schedule H4 of your report discloses \$250 in payments for "Consulting fe" to individuals. Please clarify whether these individuals are employees of your committee. If they are employees, please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on Federal Election Activity (FEA) or activities in connection with a Federal election. You are advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on FEA or activities in connection with a Federal election must not be allocated between or among federal, non-federal and Levin accounts. Rather, only federal funds may be used.

Any reimbursement from your committee's non-federal or Levin account for salary and wage payments for employees who spent more than 25% of their compensated time in a given month on FEA is not permissible and must be returned. Please provide clarification regarding these payments.

4. Please amend your report by providing the address and purpose for each disbursement itemized on Schedule(s) H4 supporting Line(s) 21(a). (11 CFR § 104.3(a)(4) and 104.10(4))

5. Schedule H4 of your report discloses a reimbursement(s) to an individual(s) for the following apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500: "Reimburse for Official trip."

When the reimbursement amount to an individual for travel and subsistence advances exceeds \$500, the payments by an individual that make up the reimbursement have to be itemized as memo entries regardless of the amount. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and an adequate purpose. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. (11 CFR § 104.10 and 104.17, and Advisory Opinion 1996-20, footnote 3)

6. Schedule H4 of your report discloses reimbursements to individuals for "Reimburse for office supplies" and "Reimburse for supplies." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries

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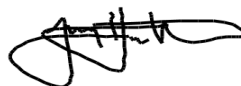
regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. (11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3)

- For your information and consideration when preparing future filings, Schedule H4 of your report discloses activity which is paid for with 100% federal funds. For future filings, please be advised that any activity which is financed entirely by the federal account (including administrative expenses), should be reported on Schedule B supporting Line 21(b). (11 CFR §§104.10 and 104.17) For your next filing, please refer to the instructions for each line when determining the proper categorization(s).

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) 694-1148.

Sincerely,



Quy Vuong
Senior Campaign Finance Analyst
Reports Analysis Division