



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-3

March 9, 2000

Stuart L. Crenshaw, Treasurer
Qwest Communications International Inc.
Political Action Committee
4250 N. Fairfax Drive
Arlington, VA 22203

Identification Number: C00237156

Reference: Mid-Year Report (1/1/99-6/30/99)

Dear Mr. Crenshaw:

This letter is to inform you that as of March 8, 2000, the Commission has not received your response to our request for additional information, dated February 16, 2000. This notice requests information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign Act (the Act), please respond to this request (copy enclosed).

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions regarding this matter, please contact Andrea Wilkens 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 cursive script that reads "John D. Gibson".

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure



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RQ-2

Stuart L. Crenshaw, Treasurer
Qwest Communications International Inc.
Political Action Committee
4250 N. Fairfax Drive
Arlington, VA 22203

FEB 16 2000

Identification Number: C00237156

Reference: Mid-Year Report (1/1/99-6/30/99)

Dear Mr. Crenshaw:

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:

-Line 11(a)(i) of the Detailed Summary Page of your report discloses a total of \$2,860 in contributions from individuals. The sum of the entries itemized on Schedule A, however, indicates the total to be \$440. Please amend your report to clarify the discrepancy.

-Schedule B supporting Line 23 discloses contributions to federal candidates for which no election designation has been provided. Please note that if no designation is included in your report, the contributions will be attributed to the next upcoming election for the recipient candidate. Thus, for future reporting purposes, it is in your committee's interest to designate the appropriate election in order to avoid the appearance of excessive contributions made to federal candidates by your committee.

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Contributions to non-federal candidates/committees should be properly disclosed on a separate Schedule B (if applicable), supporting Line 29 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

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) 694-1130.

Sincerely,

Andrea Wilkens

Andrea Wilkens
Reports Analyst
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 statements. This includes not only sales and purchases but also expenses and income. The text suggests that a systematic approach to record-keeping is essential for identifying trends and managing the business effectively.

Next, the document addresses the issue of inventory management. It explains that proper inventory control is crucial for determining the cost of goods sold and for preventing losses due to theft or spoilage. The author recommends regular physical counts and the use of perpetual inventory systems to track stock levels in real-time. This helps in reordering materials before they run out and in identifying slow-moving items that tie up capital.

The third section focuses on the classification of assets and liabilities. It details how to distinguish between current and long-term assets, as well as current and long-term liabilities. This classification is important for calculating key financial ratios and for providing a clear picture of the company's financial health to stakeholders. The text also touches upon the treatment of intangible assets and the impact of depreciation on fixed assets.

The document then delves into the calculation of the cost of goods sold (COGS). It provides a step-by-step guide to determining COGS, starting with the beginning inventory, adding purchases, and subtracting ending inventory. The author highlights that accurate COGS calculation is fundamental for gross profit determination and for assessing the efficiency of the production process. It also notes that changes in inventory levels can significantly affect the reported profit, making it a critical area of focus for accountants.

Following this, the text discusses the recognition of revenue and expenses. It explains the matching principle, which requires that expenses be recorded in the same period as the revenues they help to generate. This principle is essential for providing a true and fair view of the company's performance. The document also covers the treatment of accruals and deferrals, ensuring that all transactions are recorded in the correct period, regardless of when cash is exchanged.

The final part of the document summarizes the key points and offers practical advice for implementing these accounting principles. It stresses the importance of consistency and transparency in financial reporting. The author concludes by stating that a solid foundation in accounting is necessary for any business owner or manager who wants to make informed decisions and ensure the long-term success of their organization.