



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

June 10, 2009

Jan Churchill, Treasurer
Nevada State Democratic Party
409 Horn Street
Las Vegas, NV 89107

Response Due Date:
July 16, 2009

Identification Number: C00208991

Reference: April Monthly Report (3/1/09-3/31/09)

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 3 items:

1. Schedule H4 of your report discloses an offset to an operating expenditure(s) totaling \$4,850 from "Steelman Properties B, LLC"; however, your report(s) does not appear to disclose a disbursement to this entity. Please provide clarifying information regarding this activity and amend your report(s) if necessary.
2. Schedule H4 of your report discloses apparent reimbursements to individuals for "Copy machine lease." 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 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
3. Schedule B supporting Line 29 of your report discloses a disbursement for an apparent refund or rebate to your non-federal account for a previously allocated expense. Please be advised the refund or rebate must be allocated between the federal and non-federal accounts according to the

29030101052

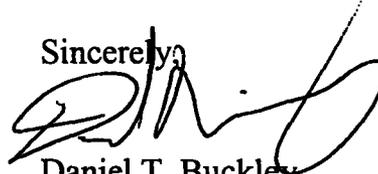
same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account using one of two methods.

The method of reporting described in Advisory Opinion 1995-22 allows a committee to itemize the refund or rebate as a negative entry on Schedule H4. Alternatively, a committee may disclose the receipt of the refund or rebate into the federal account on Schedule A supporting Line 15, and the transfer of the non-federal account's share to the non-federal account on Schedule H4. Please refer to the enclosed sample of properly reported refunds and rebates of allocable activity and amend your report to report this activity using one of the two methods shown.

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) 694-1141.

Sincerely,



Daniel T. Buckley
Senior Campaign Finance Analyst
Reports Analysis Division

SAMPLE

Allocating Certain Federal and Nonfederal Expenses

ALLOCATION OF REBATE (H4) (METHOD 1)

SCHEDULE H4 (FEC Form 3X) DISBURSEMENT FOR SHARED FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE			PAGE OF FOR LINE 21a OF FORM 3X
NAME OF COMMITTEE (In Full) Freedom Party State Committee			
A. Full Name (Last, First, Middle Initial) Acme Office Supplies		Allocated Activity or Event: <input checked="" type="checkbox"/> Administrative <input type="checkbox"/> Fundraising <input type="checkbox"/> Exempt <input type="checkbox"/> Voter Drive <input type="checkbox"/> Direct Candidate Support	
Mailing Address 111 Paddencencil St.		Allocated Activity or Event Year-To-Date 6,600.00	
City City	State ST	Zip Code 00000	Date 03 15 2008
Purpose of Disbursement: Rebate		Category/ Type 001	
Activity or Event Identifier: (See Schedule A)			
FEDERAL SHARE +		NON-FEDERAL SHARE =	TOTAL AMOUNT
-144.00		-256.00	-400.00

9. Refunds and Rebates of Allocable Expenses

If a committee receives a refund or a rebate of an allocable expense, the refund or rebate must be deposited in the federal or allocation account. The refund or rebate must then be allocated between the federal and nonfederal accounts according to the same allocation ratio used to allocate the original disbursement. The federal account must transfer the nonfederal portion to the nonfederal account.

Example

A committee receives a \$400 rebate on office equipment from the Acme Office Store. The original purchase was an administrative expense allocated according to the following ratio: 36 percent federal; 64 percent nonfederal.

Reporting Method 1 illustrates how this rebate would be reported according to the method approved in Advisory Opinion (AO) 1995-22.¹ Reporting Method 2 shows how the rebate would be reported under an alternative method.

Reporting Method 1

Using the method of reporting described in AO 1995-22, the committee discloses the receipt of the rebate and the federal and nonfederal shares on Schedule H4. The amounts are negative entries subtracted from total shared federal and nonfederal disbursements

for the reporting period (disclosed on Lines 21a(i) and (ii) of the Detailed Summary Page).

RECEIPT OF REBATE (A/LINE 15) (METHOD 2)

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS		FOR LINE NUMBER- (check only one)	PAGE OF FOR LINE 21a OF FORM 3X
Use separate schedule(s) for each category of the Detailed Summary Page		<input type="checkbox"/> 11a <input type="checkbox"/> 11b <input checked="" type="checkbox"/> 11c <input type="checkbox"/> 12 <input type="checkbox"/> 13 <input type="checkbox"/> 14 <input type="checkbox"/> 15 <input type="checkbox"/> 16 <input type="checkbox"/> 17	
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
NAME OF COMMITTEE (In Full) Freedom Party State Committee			
A. Full Name (Last, First, Middle Initial) Acme Office Supplies		Date of Receipt 03 15 2008	
Mailing Address 111 Paddencencil St.		Amount of Each Receipt This Period 400.00	
City City	State ST	Zip Code 00000	Rebate.
FEC ID number of contributing federal political committee. (C)			
Name of Employer	Occupation		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Aggregate Year-to-Date 400.00	

NONFEDERAL TRANSFER (H4) (METHOD 2)

SCHEDULE H4 (FEC Form 3X) DISBURSEMENT FOR SHARED FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE			PAGE OF FOR LINE 21a OF FORM 3X
NAME OF COMMITTEE (In Full) Freedom Party State Committee			
A. Full Name (Last, First, Middle Initial) Freedom Party State Committee Nonfederal Account		Allocated Activity or Event: <input checked="" type="checkbox"/> Administrative <input type="checkbox"/> Fundraising <input type="checkbox"/> Exempt <input type="checkbox"/> Voter Drive <input type="checkbox"/> Direct Candidate Support	
Mailing Address 123 Washington St.		Allocated Activity or Event Year-To-Date	
City City	State ST	Zip Code 00000	Date 03 15 2008
Purpose of Disbursement: Transfer of Nonfederal Share of Rebate		Category/ Type 001	
Activity or Event Identifier: (See Schedule A)			
FEDERAL SHARE +		NON-FEDERAL SHARE =	TOTAL AMOUNT
256.00		0.00	256.00

¹ Although AO 1995-22 is no longer applicable to national party committees as of 2002, it may still apply to state, district and local party committees.

29030101054