RQ-2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 2009

Shirley J. Warehime, Treasurer
Montana Republican State Central Committee
P.O. Box 935, 921 Euclid Avenue
Helena, MT 59624

Response Due Date:
November 27, 2009

Identification Number: C00008086

Reference: May Monthly Report (4/01/09 – 4/30/09)

Dear Treasurer:

29030183056

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 2 items:

1. Schedule D discloses the outstanding balance at the close of the period for the debt owed to Larry Grinde to be $5,000. FEC calculations disclose this amount to be $11,000. Please amend your report to clarify this discrepancy.

2. Schedule H4 supporting Line 21(a) of your report discloses payments for "federal payroll tax deposit" and "net salary." 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 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.

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) 694-1162.

Sincerely,

David Butler
Campaign Finance Analyst
Reports Analysis Division

313

29030183057