



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Michelle Seligman, Treasurer  
21<sup>st</sup> Century Democrats  
1311 L Street, N W , Suite 300  
Washington, DC 20005

Identification Number: C00230342

JUN 6 2001

Reference: 12 Day Pre-General Report (10/1/00-10/18/00)

Dear Ms. Seligman:

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:

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule(s) H4, supporting Line(s) 21(a) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

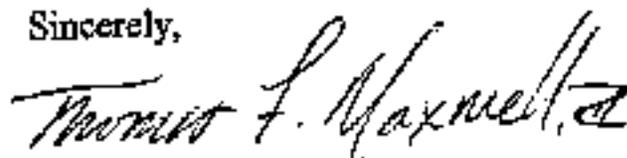
Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the

non-election year. Please verify that all expenses referenced above (i.e., rent, salaries, utilities, etc.) have been adequately disclosed. If these services have been provided by volunteers, please confirm this in writing.

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 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Thomas F. Maxwell, III  
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 data. This includes not only sales and purchases but also expenses and income. The document provides a detailed list of items that should be tracked, such as inventory levels, accounts payable, and accounts receivable. It also outlines the procedures for recording these transactions, including the use of double-entry bookkeeping to ensure that the books balance.

The second part of the document focuses on the analysis of the recorded data. It explains how to calculate key financial ratios and metrics, such as the gross profit margin, net profit margin, and current ratio. These calculations are essential for understanding the company's financial performance and identifying areas for improvement. The document also discusses the importance of comparing the company's performance to industry benchmarks and providing a clear explanation of any significant variances.

The final part of the document covers the preparation of financial statements. It provides a step-by-step guide to creating the income statement, balance sheet, and cash flow statement. It emphasizes the need for accuracy and transparency in these statements, as they are used by management, investors, and other stakeholders to make informed decisions. The document also includes a checklist of items to verify before finalizing the statements, such as ensuring that all transactions are properly recorded and that the accounts are balanced.