



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Ralph Santora, Treasurer
Independent Action Inc.
1317 F Street N.W. #900
Washington, DC 20004

MAY 29 2002

Identification Number: C00139741

Reference: April Quarterly Report (1/1/02-3/31/02)

Dear Mr. Santora:

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:

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the purpose for the joint expenditure to the "Internal Revenue Service". Note that the unique identifying code for an event is not considered an adequate description of purpose. Please amend your report to include this missing information.

A 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. Electronic filers must file amendments (to include statements, designation 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 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,

Erik W. Koeppen
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 reconciling these accounts and resolving any discrepancies that may arise.

The second part of the document focuses on the role of the accounting department in providing accurate and timely financial information to management. It highlights the need for clear communication and collaboration between the accounting team and other departments. The document describes the various reports and statements that are prepared, such as the balance sheet, income statement, and cash flow statement. It also discusses the importance of analyzing these reports to identify trends and make informed decisions.

The third part of the document addresses the issue of budgeting and cost control. It explains how a well-defined budget can help management allocate resources effectively and monitor spending. The document provides a step-by-step guide to developing a budget and includes a list of key performance indicators (KPIs) that should be tracked. It also discusses the importance of regular budget reviews and adjustments to ensure that the organization remains on track.

The final part of the document discusses the importance of maintaining accurate financial records for tax purposes. It outlines the requirements for record-keeping and provides a list of documents that should be retained. The document also discusses the importance of staying up-to-date on changes in tax laws and regulations. It concludes by emphasizing the importance of accurate financial reporting for the success of the organization.