



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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Lee Snyder, Treasurer  
Federal Independent Campaign Committee  
201 N. Wells Street, Suite 706  
Chicago, IL 60606

NOV 24 1998

Identification Number: C00262923

Reference: April Quarterly Report (1/1/98-3/31/98)

Dear Mr. Snyder:

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 21(a) of the Detailed Summary Page discloses joint federal/non-federal operating expenditures during the reporting period. Committees must itemize each allocated disbursement made from its federal account or separate allocation account regardless of the amount. Please amend your report(s) by itemizing the expenditures on Schedule H4. 11 CFR §104.10

-Schedule D discloses \$4,362 in debts owed to Independent Campaign Committee (pertinent portion(s) attached). You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. Please clarify whether the debts owed to the non-federal account relate to activity conducted in connection with federal elections and if so, provide the date(s) when the original activity was conducted by the non-federal account. Any payments on debts related to the election or defeat of federal candidates should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, or as independent expenditures on Schedule E supporting Line 24. 11 CFR §§104.3(b)(3) and 106.1

Although the Commission may initiate legal action regarding the activities

## FEDERAL INDEPENDENT CAMPAIGN COMMITTEE

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conducted by your non-federal account, prompt repayment of the debt and any clarifying information that you provide will be taken into consideration.

-A political committee that has established a federal account and a non-federal account must allocate between its federal and non-federal account all expenses for administrative costs, generic voter drives and fundraising programs or events. 11 CFR §106.6(b)(2)

Separate Segregated Funds and Nonconnected committees must report the estimated percentages of their direct federal and non-federal candidate support for a two-year election cycle by filing a Schedule H1. To calculate the allocation ratio for administrative and generic voter drive costs, nonconnected committees use the funds expended method. 11 CFR §106.6(c)(1)

Schedule H2 is used by all political committees to report the allocation ratios of their joint federal and non-federal fundraising events and direct candidate support programs. Schedule H2 is filed with each report that discloses a disbursement for a shared activity. Schedule H3 is used by all political committees to report transfers received by the federal account from the non-federal account(s) to pay the non-federal share of allocable expenses.

Any expenditures made on behalf of both federal and non-federal candidates (including in-kind contributions, independent expenditures and coordinated expenditures) must also be allocated between your committee's federal and non-federal accounts. Schedule H4 is used by all political committees to report payments for allocable expenses. 11 CFR §§106.1(a) and 106.5

Please clarify the procedures you are currently using to allocate shared activity. The Commission recommends that you take steps to correct any non-compliance with the regulations. Also, your committee should establish procedures to ensure future compliance with the allocation regulations.

-Your report discloses no 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 B or H4, supporting Line 21(b) or 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. My local number is (202) 694-1130.

Sincerely,



Debbie Chacona  
Senior Reports Analyst  
Reports Analysis Division

**SCHEDULE D**  
 (Revised 3/80)

**DEBTS AND OBLIGATIONS**  
 Excluding Loans

Name of Contributor (in Full)	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
<i>Federal Independent Campaign Committee</i>				
<i>Independent Campaign Committee                  201 N Wells #706                  Chicago IL 60606</i>	<i>-0-</i>	<i>4362.00</i>	<i>-0-</i>	<i>4362.00</i>
Nature of Debt (Purpose): <i>Non-reimbursed shared expenditure</i>				
C. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose):				
D. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose):				
E. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose):				
1) SUBTOTALS This Period This Page (optional)				<i>4362.00</i>
2) TOTALS This Period (last page in this line only)				<i>4362.00</i>
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)				<i>-0-</i>
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)				<i>4362.00</i>

*Ac*

98.03 = 200 = 2158