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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 16, 2005

Earl Scales, Treasurer
Democratic Executive Committee of Florida
214 South Bronough Street
Tallahassee, FL 32302

Response Due Date:
April 15, 2005

Identification Number: C00005561

Reference: Amended Mid-Year Report (1/1/03-6/30/03), received 10/28/04
Amended Year-End Report (7/1/03-12/31/03), received 10/28/04

Dear Mr. Scales:

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. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Your report discloses $42,000 in-kind contributions for "Rent" from Anagram Corporation on Schedule A, supporting Line 11(a)(i) of the Detailed Summary Page. Your report also discloses $42,000 in disbursements for "Rent" to Anagram Corporation on H4. Pursuant to Advisory Opinion 1992-33, the Commission concluded that a party committee may accept corporate in-kind donations in connection with fundraising activities as long as the federal share of goods or services is paid or transferred to the non-federal account upon receipt of or in advance of the acceptance of the corporate in-kind donations by the federal account.

Advisory Opinion 1992-33 also discloses a detailed method for reporting the receipt and use of in-kind contributions as follows:

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1. The transfer of the in-kind corporate contribution from the non-federal account to the federal account should be disclosed on Schedule H3. The itemization on Schedule H3 should include the date the Committee received the in-kind contribution, the amount of the contribution and the fundraising event involved.

2. The use or expenditure of in-kind corporate contributions should be disclosed on Schedule H4 as non-federal share disbursements. The itemization should provide the same donor identification information required on a Schedule A for in-kind contributions for Federal elections.

3. A second entry on Schedule H4 should then disclose the advance or contemporaneous payment of the federal account's share of the in-kind corporate contribution to the non-federal account.

Please amend your report to properly disclose the in-kind corporate contributions received by your committee (example enclosed).

-Schedule B supporting Line 29 of the Detailed Summary Page should be used when making contributions to **non**-federal candidates and committees/organizations. However, it appears you have incorrectly itemized a payment for "Salary, payroll taxes, payroll fees, and bank fees" on Line 29. Salary payments should be reported on Line 21(b) as federal operating expenditures, or on Line 30(b) if the payees spent more than 25% of their compensated time during the reporting period on activities in connection with a federal election. Please amend your report to disclose this payment on the correct line of the Detailed Summary Page.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. 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.

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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) 694-1686.

Sincerely,

Elizabeth Boody
Campaign Finance Analyst
Reports Analysis Division

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