



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

December 15, 2004

Mina Brees, Treasurer
Travis County Democratic Party
P.O. Box 684263
Austin, TX 78768

Response Due Date:
January 14, 2005

Identification Number: C00257519

Reference: Year End Report (12/1/03-12/31/03)

Dear Ms. Brees:

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:

-The beginning cash balance of this report should equal the ending balance of your December Monthly Report (11/1/03-11/30/03). Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-The totals listed on Lines 6(c), 7, 11(a)(iii), 11(d), 15, 18(a), 18(c), 19, 20, 21(a)(i), 21(a)(ii), 21(c), 22, 29, 31, and 32, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Payroll Taxes," "Salary," and "Consulting." 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

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Federal election activity 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.

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 this improper allocation activity, your prompt action will be taken into consideration.

-Schedule H4 supporting Line 21(a) discloses \$5,300.00 in disbursements to "Travis County Democratic Party-State" for "Trans to correct dep error 12/9 & 12/16". You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. Please provide clarifying information regarding these transactions including the date(s) when the original activity was conducted by the non-federal account. In addition, if any of the disbursements disclosed were made to influence the election or defeat of specific federal candidates, the disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, independent expenditures on Schedule E supporting Line 24, or as coordinated expenditures on Schedule F supporting Line 25. 11 CFR §§104.3(b)(3) and 106.1

Although the Commission may initiate legal action regarding the activities conducted by your non-federal account, any clarifying information that you can provide will be taken into consideration.

-Schedule C of your report discloses an outstanding debt to "Travis County Democratic Primary Fund" for the amount of \$4,000. However, your June Monthly Report (5/1/03-5/31/03) reports a payment on Line 22 to "Travis County Democratic Primary Fund" for the amount of \$4,000. For future reporting, please be advised that once a debt has been paid it should no longer be reported on Schedule C.

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.

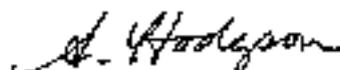
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Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement 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.

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) 694-1140.

Sincerely,



Abbie Hodgson
Campaign Finance Analyst
Reports Analysis Division

