FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Warren P. Kashiwagi, Treasurer
Fund for Democratic Leadership
555 Capitol Mall, Suite 1425
Sacramento, CA 95814

AUG 16 2000

Identification Number: C00165548

Reference: Mid-Year (1/1/99-6/30/99), 12 Day Pre-Runoff (7/1/99-10/27/99), Year End (10/28/99-12/31/99), March Monthly (2/1/00-2/29/00), April Monthly (3/1/00-3/31/00), and May Monthly (4/1/00-4/30/00) Reports

Dear Mr. Kashiwagi:

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) B, supporting Line(s) 21(b) 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