

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20443

HO-2



Paul A. Strabala, Treasurer
Elections Committee of the County
of Orange

SEP 21 1994

1700 East Garry Suite 108
Santa Ana, CA 92705

Identification Number: C00192302

Reference: Amended 12 Day Pre-Primary Report (4/1/94-5/18/94)
dated 7/14/94

Dear Mr. Strabala:

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 H4, supporting line 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-

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Neil Evans
Reports Analyst
Reports Analysis Division

Sincerely,


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) 219-3580.

-For future filings, please note that your committee need only file the pages on which you have itemized activity. Schedules with no activity may be omitted.

Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

If the transfer(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If your non-federal account has paid any expenditures which should have been allocated, you are advised to correct any non-compliance with 11 CFR 106.5 and 106.6 and establish procedures to insure future compliance with allocation regulations.

-Your report discloses a transfer(s) to the Elections Committee of the County of Orange which appears to be the non-federal account of your committee. 11 CFR 106.5 and 106.6 prohibits a committee's federal account from reimbursing its non-federal account for shared allocable expenses. Also, the non-federal account is prohibited from paying the federal accounts share of these expenses. These types of costs must be paid according to the allocation ratio derived from the appropriate method on Schedule H1.

Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the act and Commission Regulations.

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