

This letter is in response to an FEC letter inquiring about our Committee Amended Monthly Report of June 2008 (covering receipts and expenditures from 5/1/2008 to 5/31/2008).

In a letter dated May 8, 2008, Ms. Laura E. Sinram, Senior Campaign Financial Analyst, Reports Analysis Division, requests an explanation for disclosure of additional receipts of \$10,494.39 on Lines 11 and 17 of the Detailed Summary Page that were not disclosed on our original report.

The Fairfax County Democratic Committee implemented NGP Software in March 2008 to build a financial management database to track all income and expenditures and to handle FEC and State Board of Elections reporting requirements of the Committee. During the learning curve of the new software, the Treasurer and other volunteers were also confronted with a rapid increase in internet fund raising to capitalize on features of the new software. It was discovered during the transition period that credit card transactions originally entered into our database on the date they occurred on the internet were not being deposited into our bank account until three or four days later, a lag time attributable to settlement dates enforced by the credit card processing companies.

Previous accounting policy counted credit card transactions on the date they occurred, not allowing for a lag time of three or four days for settlement. New accounting policies were implemented to count credit card transactions on the date deposited into our bank account rather than an earlier date they were recorded on the internet. As the Committee maintains its books and records on a cash basis, this was the most reasonable way to treat the deposits for accounting purposes. To implement the new policy, a number of deposit batches related to our largest annual fund raiser had to be corrected as to the deposit dates. This discrepancy no longer occurs as the bank reconciliation now matches donors to deposit dates, and the database is manually corrected to attribute deposits on the date they appear in the bank account. This also provides a one for one correspondence of cash reported in the bank statement and donor contribution amounts. The difference between receipts reported in earlier and amended versions of the report was caused by the new accounting policy and is merely a shift in recognizing the receipts in a different month.

Respectfully submitted,

Bruce H Neilson, Treasurer
Fairfax County Democratic Committee
6/15/2009
