



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Clarajean Heirman, Treasurer
39th Legislative District Democrat Organization
6410 99th Ave. SE
Snohomish, WA 98290

JUL 15 1998

Identification Number: C00321448

Reference: Year End Report (7/1/97-12/31/97)

Dear Ms. Heirman:

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:

-The totals listed on Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Please be advised that for the Detailed Summary Page 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.

-Line 21(a) of the Detailed Summary Page should only be used to report the federal and non-federal shares of allocable activities. If your committee has only one account, the total operating expenditures (administrative expenses) should be reported on Line 21(b). Please amend your report to confirm the nature of your expenditures and to provide the total on the appropriate line.

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Contributions to nonfederal candidates and committees should be properly disclosed on a separate Schedule B, supporting Line 29 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

-Your report discloses limited payments for administrative expenses. Each committee utilizing separate federal and non-federal accounts is required to

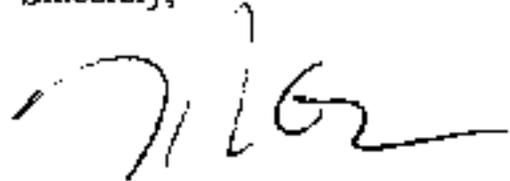
allocate any administrative expenses between the accounts in proportion to the BALLOT COMPOSITION METHOD derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X submitted each year. 11 CFR §106.5(d)

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-election year. 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.

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) 694-1130.

Sincerely,



Neil Evans
Reports Analyst
Reports Analysis Division

