



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

DEC 24 1996

June Holmes, Treasurer
National Association of Independent
Insurers Political Action Committee
2600 River Road
Des Plaines, IL 60018

Identification Number: C00066472

Reference: October Monthly Report (9/1/96-9/30/96)

Dear Ms. Holmes:

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:

-Line 11(a)(i) of the Detailed Summary Page of your report discloses a total of \$7,290 in itemized contributions from individuals. The sum of the entries itemized on Schedule B, however, indicates the total to be \$3,730. Please amend your report to clarify the discrepancy.

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.

Sincerely,


K.P. Andra, Jr.
Reports Analyst
Reports Analysis Division

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and any other financial activity. The document also highlights the need for regular reconciliation of accounts to identify any discrepancies early on.

In addition, the document provides a detailed overview of the accounting cycle, which consists of eight steps: identifying the accounting cycle, journalizing, posting, determining debits and credits, preparing a trial balance, adjusting entries, preparing financial statements, and closing the books. Each step is explained in detail, with examples provided to illustrate the process. The document also discusses the importance of maintaining proper documentation for all transactions, including receipts, invoices, and bank statements.

Finally, the document concludes by emphasizing the importance of accuracy and honesty in financial reporting. It states that the primary responsibility of an accountant is to provide a true and fair view of the financial position of the business. Any attempt to manipulate the numbers to make the business look better than it is is not only unethical but also illegal. The document encourages accountants to adhere to the highest standards of professional conduct and to always act in the best interests of their clients.