



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

October 20, 2004

J. Peter Clements, Treasurer
Republican Party of Virginia, Inc.
115 East Grace Street
Richmond, VA 23219

Response Due Date:
November 19, 2004

Identification Number: C00001305

Reference: August Monthly Report (7/1/04-7/31/04)

Dear Mr. Clements:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-A memo text attached to this report states: "since we had no employees spending 25% or more of their time on Federal Election activity except for our Finance Director, all were paid with non-federal dollars." However, your report does not disclose any payments for salary on Schedule B supporting Line 30(b) of the Detailed Summary Page. If your Finance Director, or any other employee of your committee, spent more than 25 percent of their time on Federal Election Activity or activities in connection with a Federal election, the salary and "fringe benefits" payments should appear on a separate Schedule B, supporting line 30(b) of the Detailed Summary Page. Please amend your report to clarify this discrepancy.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$14,036.27 for "direct mail" and "list for direct mail." Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

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Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity or provide clarifying information.

-Schedules H4 disclose 100% non-federal activity. Please be advised that by definition, this activity does not qualify as a shared expense to be allocated between your federal and non-federal accounts. This activity should be itemized on a Schedule B for Line 21(b) of the Detailed Summary Page. Any reimbursement from your committee's non-federal account for any portion of this activity is not permissible and must be returned. Please amend your report to clarify this discrepancy.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "insurance." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

-Schedule A supporting Line 15 of the Detailed Summary Page discloses voided or returned checks of what appears to be a previously disclosed allocable expense(s) from Radisson Ft. McGruder. Please be advised that when a committee voids an allocable expense, it must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Your report does not appear to disclose a transfer-out of the non-federal portion of this voided or returned check. Please provide clarification regarding this apparent omission.

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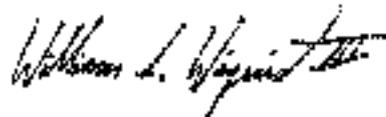
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-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Transfers from candidate committees should be properly disclosed on a separate Schedule A, supporting Line 11(c) of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1394.

Sincerely,



William S. Wiquist
Campaign Finance Analyst
Reports Analysis Division

