



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Marguerite Morrison, Treasurer
District 1199C Nat'l Union of Hospital
& Health Care Employees Political
Action Fund
1319 Locust Street
Philadelphia, PA 19107

MAR 06 2002

Identification Number: C00034066

Reference: Mid-Year Report (1/1/01-6/30/01)

Dear Ms. Morrison:

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:

-Schedule D of your report has failed to include certain information. Commission Regulations require the full name and mailing address of each creditor, the outstanding balance at the beginning and end of the reporting period, the amount incurred during the period, the payment made during the period, and the nature or purpose of each debt. Additionally, all debts must be reported continuously until extinguished or settled. Please amend your report by providing the mailing address of each creditor. 11 CFR §104.11

A response or 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. Electronic filers must file amendments 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 need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

Thomas F. Maxwell, III
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 transfers between accounts.

Next, the document outlines the process of reconciling bank statements with the company's records. This involves comparing the bank's record of transactions with the company's ledger to identify any discrepancies. Common reasons for discrepancies include timing differences, such as deposits in transit or outstanding checks, and errors in recording or transcription.

The document then provides a detailed explanation of the accounting cycle, which consists of eight steps: 1) identifying and recording transactions, 2) journalizing, 3) posting to the ledger, 4) determining account balances, 5) adjusting entries, 6) preparing financial statements, 7) closing the books, and 8) reversing entries. Each step is described in detail, including the necessary journal entries and ledger postings.

Finally, the document discusses the importance of internal controls to prevent fraud and errors. It suggests implementing a system of checks and balances, such as requiring two people to authorize transactions, separating duties, and conducting regular audits. The document also provides a checklist of key internal control procedures for management to review.