

Salter & Company PLLC
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2005 NOV 17 A 8:33

November 10, 2005

Ms. Elizabeth Boody
Campaign Finance Analyst
Reports Analysis Division
Federal Election Commission

Re: ID No. C0001246-- United Association Political Education Committee
August Monthly Report (7/1/05-7/31/05) Inquiry

Dear Ms. Boody:

This letter is written in response to your letter of October 21, 2005, sent to the United Association Political Education Committee ("UAPEC"). You have identified a transfer of \$25,000 listed on Schedule B of the UAPEC's August 2005 monthly report and question whether there should be some allocation of expenses between a federal and non-federal account.

The \$25,000 entry does represent a transfer of funds to the connected organization's non-federal account. All money raised and collected by the UAPEC, however, are funds subject to the prohibitions and limitations of the Federal Election Campaign Act. All fundraising, administrative and other expenses incurred in soliciting money (from the connected organization's restricted class) for the UAPEC have been paid by the UAPEC or the connected organization. As we understand the allocation rules set forth in 11 CFR §106.6, they establish the minimum amount to be paid by the federal account but that the federal account may pay a greater percentage of the allocable cost than the minimum, and may pay up to the entire cost. Likewise, allocating a portion of the costs to the non-federal account is permissive rather than mandatory under the FEC rules. See Advisory Opinion 2000-24 and see Section 106.6(c) (administrative expenses shall be paid "with at least 50 percent Federal funds."). Thus, it is our understanding that it is permissible for the federal account to pay all the applicable costs associated with the collection of contributions, whether they be deposited in the federal account or transferred to the non-federal account. Here the UAPEC or its connected organization paid all of the costs related to the collection of the \$25,000 at issue.

Therefore, we believe it was proper for the UAPEC to transfer this amount to the non-federal account without allocating any portion of the administrative or solicitation costs to the non-federal account. Accordingly, we do not believe that any corrective action need be taken. If you disagree with this analysis, please advise what additional steps the Commission would require to be taken.

Salter & Company PLLC.

Please let us know if you need any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Jerome J. Robertson".

Jerome J. Robertson, CPA

25038924217



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

October 21, 2005

William P. Hite, Treasurer
United Association Political Education Committee
901 Massachusetts Avenue NW
Washington, DC 20001

Response Due Date:
November 21, 2005

Identification Number: C00012476

Reference: August Monthly Report (7/1/05-7/31/05)

Dear Mr. Hite:

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:

-Schedule B of your report discloses a transfer(s) totaling \$25,000 to what appears to be a non-federal account of your committee. Please be advised that committees that make disbursements in connection with federal and non-federal elections and have established separate federal and non-federal accounts, must allocate their expenses pursuant to 11 CFR §106.6. Please provide further clarification regarding this transfer(s). The Commission recommends that you take steps to correct any non-compliance, and that you establish procedures to ensure future compliance with the allocation regulations.

Please note, 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.

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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) 694-1686.

Sincerely,



Elizabeth Boody
Campaign Finance Analyst
Reports Analysis Division

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Federal Election Commission
ENVELOPE REPLACEMENT PAGE FOR INCOMING DOCUMENTS
 The FEC added this page to the end of this filing to indicate how it was received.

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 PREPARER
 (3/2005)

11/17/05
 DATE PREPARED

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