



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Roger Winkelman, Treasurer  
Michigan Democratic State Central  
Committee/Fed Acct  
606 Townsend  
Lansing, MI 48933

MAY 01 2002

Identification Number: C00031054

Reference: Amended Mid-Year Report (1/1/01-6/30/01), dated 1/19/02

Dear Mr. Winkelman:

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 10 of the Summary Page of your report discloses a total of \$8,577.65 in debts and obligations owed by the committee. The sum of the entries itemized on Schedule D, however, indicates the total to be \$21,444.18. Please amend your report to clarify the discrepancy.

-Your report discloses receipts from Association of State Democratic Chairs/Dollars for Dems and DNC Services Corporation/Democratic National Committee totaling \$90,000 and \$30,904.31 respectively, which are joint fundraising committees affiliated with your committee. Please be advised that a memo Schedule A must be provided to itemize your committee's share of the gross contributions received through the joint fundraiser(s). The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year, and provide the amount of unitemized contributions received. In addition, the memo schedule should itemize your committee's share of all contributions from political committees, regardless of amount. Please amend your report by providing the omitted memo schedule(s). 11 CFR §102.17(c)(8)(i)(B)

-Schedule B supporting Line 21b of your report discloses payments made to Democratic State Central Committee for "Rent." Please amend Schedule B to clarify the payee for these disbursements.

-On Schedule H2 of your report you disclose an allocation ratio for "Administrative/Generic Voter Drive". Please be advised that party committees must allocate Administrative/Generic Voter Drive expenses between the federal and non-federal account in proportion to the ballot composition method derived from FEC Schedule H1. 11 CFR §106.5(d) Please amend your report to clarify this apparent discrepancy.

-On Schedule H2 you disclose "1996 Debt (1/01/01)" and "2000 Admin Split (1/01/01)" as new exempt activities with the federal ratio as 37.50% and the non-federal ratio as 62.50%. However, these activities do not appear to qualify as exempt and, in addition, party committees must allocate Administrative/Generic Voter Drive expenses between the federal and non-federal account in proportion to the ballot composition method derived from FEC Schedule H1. 11 CFR §106.5(d) Please amend your report to provide clarification regarding these activities.

-On Schedule H2, you have checked the exempt box for the 2000 Admin Split (1/01/01); however, on Schedule H4, disbursements for 2000 Admin Split (1/01/01) are marked as Administrative/Generic Voter Drive. For the public record, please clarify whether this event did in fact encompass more than one type of activity. If the activity or event should have been classified differently, please amend your report accordingly.

-On Schedule H4 supporting Line 21(a) of the Detailed Summary page, you have indicated "2000 Bill" and "noname" as unique identifying codes. However, this does not reflect the unique identifying codes that have been disclosed on Schedule H2. 11 CFR § 104.10 Please amend this report to provide the correct unique identifying title or code on Schedule H2 and H4.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your report to clarify the following description(s): "Expenses", "See Memo", "Contract Labor", "Supplies Reimbursement", "Supplies". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-You have made disbursements for \$34,310.71 which you have characterized as exempt activities. In order for an activity to be classified as exempt, it must meet the following conditions: (1) For slate cards and sample ballots: it names at least three candidates running for election to any public office, it is not distributed through public political advertising

(including broadcast media, newspapers, magazines, and billboards), the content is limited to the identification of each candidate, the office or position currently held, the office sought and party affiliation, and the costs allocable to federal candidates are paid with permissible funds; (2) For campaign materials: the activity is conducted on behalf of the party's nominees in the general election, the materials are distributed by volunteers-  
-not through public political advertising, the party committee does not use materials purchased by the national party committee or money transferred from the national committee to purchase materials, the party committee does not use funds designated for a particular federal candidate, a payment from a non-federal campaign to help pay for the materials does not exceed its allocated share of the expenses, and the costs allocable to federal candidates are paid with permissible funds; (3) For voter drives: the activity is on behalf of the party's Presidential and Vice Presidential nominees, the activity does not involve the use of public political advertising such as television, radio, newspapers, magazines, billboards or direct mail, phone banks are operated by volunteers (although paid professionals may design the system, develop calling instructions and train supervisors), the party committee does not use funds transferred by the national party committee for voter drive activities, the party committee does not use funds designated for a particular federal candidate, and the cost allocable to federal candidates are paid with permissible funds.

If the activity disclosed on your report does not meet the definition of "exempt" activity as described above, and if any portion of the expenditures were made on behalf of specifically identified candidates, this amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate. Please provide the Commission with a more detailed explanation of these activities.

-Please clarify all expenditures made for "General Advertising" on Schedule(s) H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Schedule H4 discloses payments made to credit card companies for shared federal and non-federal activity. Please be advised that these payments must identify as memo entries, the original vendors from which you have purchased an item or service regardless of the amount. Please amend your

report by providing the name and mailing address of the original vendor, along with the date, amount and purpose of each expenditure. 11 CFR §104.10

-Your EVENT YEAR-TO-DATE calculations for 2000 Bill are incorrect. EVENT YEAR-TO-DATE totals for administrative and voter drive costs are derived by aggregating all disbursements during the calendar year for the whole Administrative/Voter Drive category. EVENT YEAR-TO-DATE totals for fundraising, direct candidate support, and exempt activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous EVENT YEAR-TO-DATE total for that category or event. This running EVENT YEAR-TO-DATE total should be disclosed after each disbursement is listed. Please amend your report by providing the correct EVENT YEAR-TO-DATE totals.

-Please be advised that you have included an additional Schedule H1 with this report. Only one Schedule H1 must be filed with the first report each year for state party committees. 11 CFR §106.5(d)(2) Please amend your report to clarify this discrepancy.

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Transfers received from affiliated committees should be properly disclosed on a separate Schedule A, supporting Line 12 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 disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Contributions (other than loans) from political party committees should be properly disclosed on a separate Schedule A, supporting Line 11(b) of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

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 (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

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,

A handwritten signature in cursive script, appearing to read "Colleen Manning", followed by a long horizontal flourish.

Colleen Manning  
Reports Analyst  
Reports Analysis Division

