



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

AUG 21 1998

Efren J. Moreno, Jr., Treasurer
Alhambra Democratic Club
2416 Capetown Avenue
Alhambra, CA 91803

Identification Number: C00302711

Reference: Mid-Year Report (1/1/97-6/30/97)

Dear Mr. Moreno:

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:

-Your report discloses limited payments for administrative expenses. Each committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the BALLOT COMPOSITION METHOD derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X submitted each year. 11 CFR §106.5(d)

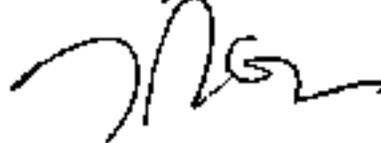
Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

Any amendment or clarification should be filed with the Federal Election Commission. If you need assistance, please feel free to contact me on our toll-free

number, (800) 424-9530. My local number is (202) 694-1130.

Sincerely,

A handwritten signature in black ink, appearing to read 'Neil Evans', written in a cursive style.

Neil Evans
Reports Analyst
Reports Analysis Division

