



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Mike Wright, Treasurer
Republican Majority Fund
1155 21st Street, NW, #300
Washington, DC 20036

JUN 12 2002

Identification Number: C00296640

Reference: February Monthly (1/1/02-1/31/02) and March Monthly (2/1/02-2/28/02) Reports

Dear Mr. Wright:

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. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule(s) B supporting Line 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

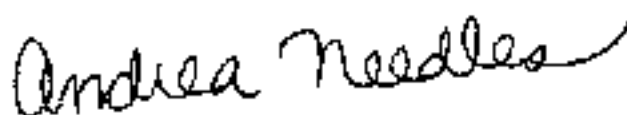
Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions 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 verify that all expenses referenced above (i.e., rent, salaries, utilities, etc.) have been adequately disclosed. If these services have been provided by volunteers, please confirm this in writing.

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,



Andrea Needles
Senior 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 and income. The document provides a detailed list of items that should be tracked, such as inventory levels, accounts payable, and accounts receivable. It also outlines the procedures for reconciling these accounts and resolving any discrepancies that may arise.

The second part of the document focuses on the preparation of financial statements. It explains the different types of statements, including the balance sheet, income statement, and cash flow statement, and provides a step-by-step guide to their preparation. It highlights the importance of using accurate data and following established accounting principles to ensure that the statements are reliable and useful for decision-making. The document also discusses the role of the auditor in verifying the accuracy of the financial statements and the consequences of any misstatements.

The final part of the document addresses the issue of tax compliance. It provides an overview of the tax laws that apply to the business and offers practical advice on how to minimize tax liability while remaining compliant. This includes information on deductions, credits, and the timing of tax payments. The document also discusses the importance of keeping up-to-date with changes in tax law and the role of a tax professional in providing expert advice.