



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20453

RQ-2

November 19, 2003

Alan Helmkamp, Treasurer
Michigan Democratic State Central
Committee/Fed Act
606 Townsend
Lansing, MI 48933

Response Due Date:
December 19, 2003

Identification Number: C00031054

Reference: Mid Year Report (1/1/03-6/30/03)

Dear Mr. Helmkamp:

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:

-Your report discloses memo Schedule A's totaling \$48,715.53 from the MI State Party Victory Fund, which appears to be a joint fundraising committee. However, there are no corresponding transfers-in from this committee disclosed on Schedule A for supporting Line 12 of the Detailed Summary Page. Please clarify this apparent discrepancy.

-Your report does not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than 25 percent of their time during that month on activities in connection with a Federal election. You are advised that payments for salaries and wages for employees who spend more than 25 percent of their compensated time in a given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

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-Schedule B supporting Line 21(b) discloses \$39,000 in transfers to what appears to be a non-federal account of your committee. Please provide further clarification regarding this transfer to your non-federal account.

You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. If any of the disbursements disclosed on Schedule B supporting Line 21(b) were made to influence the election or defeat of specific federal candidates, the disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, independent expenditures on Schedule E supporting Line 24, or as coordinated expenditures on Schedule F supporting Line 25. 11 CFR §§104.3(b)(3) and 106.1. In addition, if your non-federal account has paid any expenditures which should have been allocated, you are advised to correct any non-compliance with 11 CFR §§106.6 and 106.7 and establish procedures to insure future compliance with allocation regulations.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$23,629.57 for "Postage and Printing". Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24.

Please provide further clarification regarding this activity, specifically whether it referenced and promoted, attacked or opposed a clearly identified candidate for Federal office. If this is the case, please amend your report to properly disclose this activity as an in-kind contribution, an independent expenditure or a coordinated expenditure, as appropriate, on a Schedule B, E or F supporting Lines 23, 24 or 25, respectively.

-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): "JF03:Entertainment." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Your report discloses a loan from a lending institution; however, you have not submitted a Schedule C-1 (copy attached) and a copy of the loan agreement. As an electronic filer, you must submit the Schedule C-1

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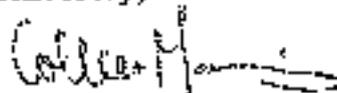
electronically without the original signature from the lending institution. In addition, you must mail a copy of the loan agreement and a separate copy of the Schedule C-1 that contains the original signature from the lending institution. Please submit the missing documents. (11 CFR §§104.3(d)(2) and 104.18(h))

The loan schedule (Schedule C) should disclose the following information: the name and mailing address of the person making or receiving the loan, original amount, cumulative payment, outstanding balance, date incurred, date due, and interest rate for all loans that your committee has received. Please amend Schedule C by providing the date due. 11 CFR §§104.3(d) and 104.11(a)

Unlike previous election cycles, 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.

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 1, then press 2 to reach the Reports Analysis Division) or my local number (202) 694-1639.

Sincerely,



Colleen Manning
Senior Campaign Finance Analyst
Reports Analysis Division

**SCHEDULE C-1 (FEC Form 3X)
LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS**

Supplementary for
information found on
Page _____ of Schedule C

Federal Election Commission, Washington, D.C. 20483

NAME OF COMMITTEE (In Full)		FEC IDENTIFICATION NUMBER C	
LENDING INSTITUTION (LENDER) Full Name		Amount of Loan	Interest Rate (APR) %
Mailing Address		Date Incurred or Established	
City	State Zip Code	Date Due	

A. Has loan been restructured? No Yes If yes, date originally incurred

B. Is line of credit.
Amount of this Draw: Total Outstanding Balance:

C. Are other parties secondarily liable for the debt incurred?
 No Yes (Endorsers and guarantors must be reported on Schedule C.)

D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, charter papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral?
 No Yes If yes, specify: _____
What is the value of this collateral?
Does the lender have a perfected security interest in it? No Yes

E. Are any future contributions or future receipts of interest income pledged as collateral for the loan? No Yes If yes, specify: _____
What is the estimated value?

A depository account must be established pursuant to 11 CFR 100.82(e)(2) and 100.142(e)(2).
Date account established: _____ Location of account: _____
Address: _____
City, State, Zip: _____

F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it assures repayment.

G. COMMITTEE TREASURER
Typed Name _____ DATE _____
Signature _____

H. Attach a signed copy of the loan agreement.
I. TO BE SIGNED BY THE LENDING INSTITUTION:
1. To the best of this institution's knowledge, the terms of the loan and other information regarding the extension of the loan are accurate as stated above.
2. The loan was made on terms and conditions (including interest rate) no more favorable at the time than those imposed for similar extensions of credit to other borrowers of comparable credit worthiness.
3. This institution is aware of the requirement that a loan must be made on a basis which assures repayment, and has complied with the requirements set forth at 11 CFR 100.82 and 100.142 in making this loan.

AUTHORIZED REPRESENTATIVE
Typed Name _____ DATE _____
Signature _____ Title _____

