

This memorandum is in response to the Commission's preliminary review of the Amended April quarterly report filed by the Republican Party of Iowa dated January 20, 2006.

The reviewer correctly noted that the party did not allocate to Federal Election Activity (FEA Activity) any of the group health insurance and/or any other employee-specific fringe benefits paid and reported as administrative expenditures. The party is aware that an allocation of such costs must be made for benefits paid on behalf of those employees who spend more than 25% of their time on FEA Activity. The party did make such allocations in the past. However, during the period covered by the report, no party employee spent more than 25% of his or her time on FEA activity and therefore no FEA payroll was reported on line 30(b). Accordingly, no allocation of fringe benefit amounts reported as administrative expenditures was required nor is any refund of non-Federal fund reimbursements of administrative expenses required.

Please feel free to contact us should you have any further questions.
