



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Steven Flynn, Treasurer
9th District Democratic Committee
571 South Newman Road
Lake Orion, MI 48362

JAN 4 1999

Identification Number: C00158022

Reference: October Quarterly Report (7/1/98-9/30/98)

Dear Mr. Flynn:

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:

-Schedule H4 discloses a disbursement(s) which is categorized as a fundraising expense(s); however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the direct costs of each fundraising event in which the committee collects both federal and non-federal funds. The costs are allocated according to the funds received ratio and reported on Schedule H2. 11 CFR §§106.5(f) and 106.6(d). Please file a Schedule H2 to disclose the ratio for the fundraising event(s).

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 of your report to clarify the following description(s): Field, PR consulting, Field consulting, Fundraising consulting, and consulting GOTV. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

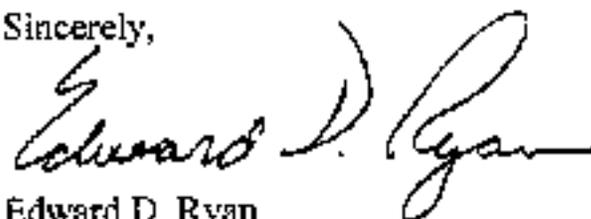
-Line 21(a) of the Detailed Summary Page of your report discloses a total of \$60,843.24 in Shared Federal/Non-Federal Activity (from Schedule H4). The sum of the entries itemized on Schedule H4, however, indicates the total to be \$62,145.09 (due to an error in calculating the total of Joint

Federal and Non-Federal Activity). Please amend your report to clarify the discrepancy.

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Transfers from affiliated/other party committees should be properly disclosed on a separate Schedule A, supporting Line 12, not 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 written response or an 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. 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,



Edward D. Ryan
Reports Analyst
Reports Analysis Division

