



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

September 26, 2008

Karen Garcia, Treasurer
Democratic Party of Arkansas
1300 West Capitol Avenue
Little Rock, AR 72201

**Response Due Date:
October 27, 2008**

Identification Number: C00024372

Reference: August Monthly Report (7/1/08-7/31/08)

Dear Treasurer:

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. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 6 items:

1. Schedule A supporting Line 15 of the Detailed Summary Page discloses a refund(s) or rebate(s) of what appears to be a previously disclosed allocable expense(s) from "Bell, Amy" and "Hatta, Mariah." Please be advised that when a committee receives a refund or rebate of an allocable expense, it must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Your report does not appear to disclose a transfer-out of the non-federal portion of this refund(s) or rebate(s). Please provide clarification regarding this apparent omission.
2. On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the purpose for several joint expenditures to various vendors. Note that the activity or event identifier is not considered an adequate description of purpose. Please amend your report to include this missing information.
3. 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): "Administrative Consultant."

28039841352

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

4. Schedule H4 of your report discloses a reimbursement(s) to an individual(s) for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500. When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by committee staff that make up the reimbursement have to be itemized as memo entries regardless of the amount. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and an adequate purpose. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. 11 CFR §§104.10 and 104.17, and Advisory Opinion 1996-20, footnote 3

5. Schedule H4 of your report discloses a disbursement(s) for "National Convention." Please be advised that expenses related to sending a delegate to a National Convention do not qualify as shared expenses to be allocated between your federal and non-federal accounts. Federal operating expenses should be disclosed on a Schedule B supporting Line 21(b) of the Detailed Summary Page. Any reimbursement from your committee's non-federal account for this disbursement(s) is not permissible and should be transferred-out immediately. 11 CFR §102.5(a)(1)(i) Please amend your report to clarify the disbursement(s).

6. Schedule H4 of your report discloses voided or returned checks for expenditures made during this or previous reporting periods. However, you have failed to disclose a transfer-out for the non-federal portion of these voided checks issued for allocable expenses. Please provide clarifying information regarding the non-federal portion and, in addition, please clarify if and when these checks were reissued. If they were not reissued, please clarify the steps your committee has taken to account for the federal portion of these voided or returned checks in order to avoid the acceptance of a prohibited in-kind contribution.

-For future reporting, please be advised that only the amounts applied toward the principal amount of a loan should be included in the Cumulative Payment-to-Date box on Schedule C. Those payments should also be reported on Schedule B supporting Line 26 of the Detailed Summary Page. Interest payments should be disclosed on Schedule B supporting Line 21(b), as operating expenditures, in accordance with 11 CFR §104.3.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the

3521783082

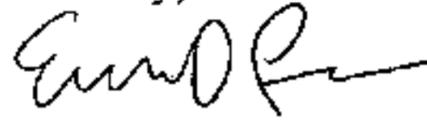
DEMOCRATIC PARTY OF ARKANSAS

Page 3

due date noted above to be taken into consideration in determining whether audit action will be initiated. 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. **Requests for extensions of time in which to respond will not be considered.**

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 5 to reach the Reports Analysis Division) or my local number (202) 694-1135.

Sincerely,



Erinn D. Larkin
Campaign Finance Analyst
Reports Analysis Division

309

28039841354

28039841355

