



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Pam Terrell, Treasurer
Prairie Leadership Committee
420 C Street, N.E.
Washington, DC 20002

Identification Number: C00351049

MAY 01 2002

Reference: Mid-Year Report (1/1/01-6/30/01)

Dear Ms. Terrell:

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(s) H4 of your report discloses activity classified as exempt. Please be advised that only state and local party committees are permitted to engage in exempt activities. 11 CFR §100.8(b)(10) Please amend your report to clarify this discrepancy.

-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. Each separate segregated fund and non-connected committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the FUNDS EXPENDED METHOD derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each two-year election cycle. 11 CFR §106.6(c)

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.

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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 provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

-Please amend your report by providing the purpose for each disbursement itemized on Schedule H4 supporting Line(s) 21(a).

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

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the total EVENT YEAR-TO-DATE amount for a payment(s) to several payees. Please amend your report to include the missing EVENT YEAR-TO-DATE total(s).

-On Schedule H2, you disclose the ratios for "payroll" and "taxes" to be the same as previously reported; however, it appears that these activities/events were not previously reported. Please amend your report to clarify these discrepancies. 11 CFR §104.10(a)(1)

-Schedule H3 of your report discloses \$10,500 in transfers-in for administrative/voter drive. However only Schedule H4 discloses disbursements for "payroll" and "taxes" and they are not classified as administrative/voter drive. For the public record, please clarify whether these events did in fact encompass more than one type of activity. If the activities or events should have been classified differently, please amend your report accordingly.

-For your information, each category on the Detailed Summary Page for which your committee discloses activity must have a separate schedule. Please note this for future filings.

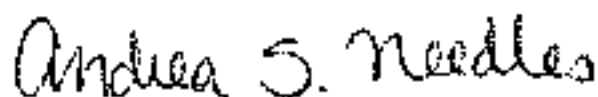
A response or an amendment to your original report(s) correcting the above

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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, designation 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 S. Needles
Senior Reports Analyst
Reports Analysis Division

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