



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

May 19, 2006

Ken Sagar, Treasurer
Iowa Democratic Party
5661 Fleur Drive
Des Moines, IA 50321

**Response Due Date:
June 19, 2006**

Identification Number: C00035600

Reference: Amended October Monthly Report (9/1/05-9/30/05), Received 1/30/06

Dear Mr. Sagar:

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 Amended August Monthly Report (7/1/05-7/31/05), received 1/30/06, Amended September Monthly Report (8/1/05-8/31/05) received 1/30/06, and Amended October Monthly Report (9/1/05-9/30/05) received 1/30/06 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. **An administrative expense also includes any and all payments for mortgages paid by the federal account. Please clarify whether you own and operate your own property and that you include all expenses associated with this property in your reports.** Each state, district or local party committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses (excluding salary) between the accounts according to a fixed percentage selected on Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each calendar year. Payments for salary and wages for employees who spend more than 25% of their compensated time on Federal election activities or on activities in connection with a Federal election must be made from a federal account and disclosed on a Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §106.7

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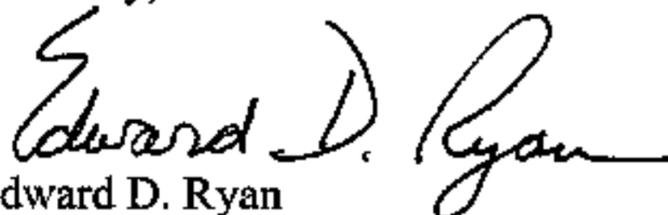
Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be provided 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 note, 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 5 to reach the Reports Analysis Division) or my local number (202) 694-1144.

Sincerely,



Edward D. Ryan
Campaign Finance Analyst
Reports Analysis Division

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