



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

JUN 12 1996

William B. Carolan, Treasurer  
Elections Committee of the  
County of Orange  
1700 E. Garry Street, Ste. 108  
Santa Ana, CA 92705

Identification Number: C00192302

Reference: Amended Year End Report (7/1/95-12/31/95) dated  
4/4/96

Dear Mr. Carolan:

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:

-Your cover letter explains that certain items are disclosed on the Schedule H4 as having a 100% federal allocation ratio because the state account either did not reimburse the federal account until after the close of the report date, or never reimbursed the federal account due to an omission. Please amend your report to disclose these disbursements on a Schedule B for Line 21(b).

Your cover letter also explained that certain shared expenses to YMCA, the U.S. Postmaster, and the Orange County Blade are disclosed on the Schedule H4 as having a 100% federal allocation ratio because "two individual payments were submitted to the payee, directly by each account. (ie: Federal Account and State Account)". This is not a permissible method of paying for shared expenses between the federal and non-federal accounts. Please be aware that when allocating between shared expenses, the federal account must pay for the expenditure exclusively, while the non-federal account transfers its share of the expense within the 70 day transfer window permitted. Your committee must only use the permissible method of paying for allocable expenses.

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED

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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) 219-3580.

Sincerely,



Neil Evans  
Reports Analyst  
Reports Analysis Division

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APR 19 1 36 PM '96

April 4, 1996

Federal Elections Commission  
 Reports Analysis Division  
 Mr. Neil Evans  
 999 E. Street, NW  
 Washington, D.C. 20463

Identification Number: C00192302  
 Reference: Year End Report ( 7/01/95 - 12/31/95 )

Dear Mr. Evans,

This letter is being submitted as a result of your correspondence dated March 20, 1996.

Regarding questions posed in your letter, the following is submitted for clarification purposes:

- 1 - All future reports will include a break down of "itemized" and "unitemized" contributions from individuals of aggregate amounts in excess of \$200.00.
- 2 - Schedule H2 has been modified to indicate the actual event name. The abbreviated (informal) name was inadvertently used on the initial report you reviewed. The actual event name will be used for all future reports.
- 3 - Regarding the 100% Federal allocation ratio for specific administrative/voter drive and fundraising events, the following specific remarks are made for each item listed on Schedule H4:
  - a. The following items indicated in the report as being shared, but no non-Federal amount indicated, resulted due to the State Account not reimbursing the Federal Account until after the close of the report date. In fact, the amounts listed below used on the Schedule H4 represent 100% of an expense the Federal Account paid initially and was then reimbursed 50% by the State Account on January 4, 1996.
    - Equitable Garry Plaza; 11/28/95; \$731.79
    - Orange County Blade; 12/12/95; \$439.88
    - Southern CA Edison; 11/28/95; \$80.81
    - Trade Industries Finance; 12/12/95; \$68.91
    - Michael Robinson; 12/12/95; \$123.87
  - b. The following items were shared expenses, which due to an omission, were never reimbursed by the State Account to the Federal Account. (A recommendation from you would assist in correcting this error):
    - 30 Minute Photo; 9/13/95; \$11.47

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Ruben Carillo; 9/13/95; \$150.00  
Ruben Carillo; 10/13/95; \$90.89  
Michael Robinson; 9/13/95; \$28.77

c. The following items were shared expenses, but reported as they were, due to the fact that two individual payments were submitted to the payee, directly by each account. (ie: Federal Account and State Account)

DMCA; 9/1/95; \$402.15  
U.S. Postmaster; 8/19/95; \$250.00  
Orange County Blade; 8/17/95; \$444.00

- 4 - Schedules H2 and H4 have been amended to include unique names for fundraising disbursements.
- 5 - The following is intended to clarify the disbursement to ECCO Fund, Inc. ECCO Fund, Inc. is a non-profit entity, which is covered under the Elections Committee of the County of Orange's status as a 501(c)3. Ecco Fund, Inc. is not a committee. Ecco Fund, Inc. operates under it's own independent Board of Directors and acts according to it's own By-Laws. Disbursements to Ecco Fund, Inc. are made as a result of office equipment and supplies which are provided by Ecco Fund, Inc., to be utilized by the Elections Committee of the County of Orange for a fee.
- 6 - Schedule H4 has been amended to indicate the error in reporting the contribution to Ecco Fund, Inc. as an exempt activity to an administrative/voter drive activity, as per our conversation.
- 7 - In an effort to clarify the limited administrative expenses for the Elections Committee of the County of Orange, the following is being submitted:

Expenses related to rent, utilities, office operations, phones and similar items are listed on our filing records.

No expenses related to salaries are indicated, as the Elections Committee of the County of Orange is a completely volunteer organization with no paid staff.

I hope the above noted comments are sufficient to provide the basis for our filing. If there are further questions needed to consider our filing in compliance, please contact me. Thank you for your time and patience during our process of amending this report.

Sincerely,

William B. Carolan  
Treasurer

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