



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Michael J. Kasper, Treasurer
Democratic Party of Illinois
P.O. Box 518
Springfield, IL 62705

Identification Number: C00167015

DEC 6 2000

Reference: July Quarterly Report (4/01/00-6/30/00)

Dear Mr. Kasper:

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 A of your report (pertinent portion(s) attached) discloses a receipt(s) of 744,171 from the Democratic Party of Illinois - Non-Federal Account. Please clarify whether this transfer(s) is from an account maintained by your committee for non-federal activity. If so, be advised that such a transfer is prohibited by 11 CFR §102.5(a)(1)(i) and the full amount of the transfer(s) should be returned to the non-federal account. Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out. In addition, the transfer-out should be disclosed on Schedule B supporting Line 22 of your next report.

If this transaction represents an "internal transfer" of funds from one federal account to another, and the source(s) of such funds has been identified in previous reports of receipts and disbursements, please note that such transfers should not be itemized as doing so inflates total receipts and cash on hand. If this is the case, please amend your report accordingly.

Although the Commission may take further legal action regarding the acceptance of funds from a non-federal account, your prompt transfer-out of the impermissible funds or clarification of the transaction, will be taken into consideration.

-Schedule A of your report discloses a contribution(s) from an organization which is not a political committee registered with the Commission (pertinent portion(s) attached). In addition, the contribution appears to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) precludes a political committee from receiving contributions from a person or another committee in excess of \$5,000 in a calendar year. Also, in order to make contributions to your committee, organizations which are not political committees must either: 1) establish a separate account which contains only those funds permitted under the Act, or 2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution. 11 CFR §102.5(b)

Since your committee engages in both federal and non-federal activity, either through a separate non-federal account, or one account that finances activity in connection with both federal and non-federal elections, your committee may be in violation of 11 CFR §102.5(a).

In order to be in compliance with the Act, your committee must: 1) refund to the donor, or transfer-out to a non-federal account, the amount in excess of \$5,000 and 2) determine the extent to which your committee received funds that are not permissible, and refund or transfer-out the prohibited funds.

If you choose to transfer the funds to an account not used to influence federal elections, the Commission advises that you inform the contributor in writing and provide the contributor with the option of receiving a refund. You may wish to seek a written authorization (either before or after the transfer-out) from the donor for any transfer-out to protect the donor's interests.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. Should you choose to transfer-out or refund the funds, the Commission will presume the funds were impermissible, absent a statement from your committee to the contrary. Transfers-out and refunds should be disclosed on a Schedule B supporting Line 22 or 28 of the report covering the period during which they are made.

Although the Commission may take further legal action concerning the acceptance of prohibited and excessive contribution(s), your prompt refund

or transfer-out will be taken into consideration.

-Please clarify all expenditures made for Media-TV Commercials on Schedule B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 105.1

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

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 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Neil A. Evans
Reports Analyst
Reports Analysis Division

SCHEDULE A		ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	5 / 24
					FOR LINE NUMBER 11C
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.					
NAME OF COMMITTEE (in Full) DEMOCRATIC PARTY OF ILLINOIS					
Full Name, Mailing Address, and ZIP Code Commonwealth Edison PAC Chicago IL		Name of Employer		Date (month, day, year) 04/20/2000	Amount of Each Receipt this Period 5000.00
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation		Aggregate Year-to-Date > \$ 5000.00	
Full Name, Mailing Address, and ZIP Code Democratic National Committee Federal Fund 430 South Capitol Street Washington DC 20003		Name of Employer		Date (month, day, year) 04/10/2000	Amount of Each Receipt this Period 17289.08 Contribution
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation		Aggregate Year-to-Date > \$ 21792.03	
Full Name, Mailing Address, and ZIP Code Democratic National Committee Federal Fund 430 South Capitol Street Washington DC 20003		Name of Employer		Date (month, day, year) 08/06/2000	Amount of Each Receipt this Period 202804.00 Record Wire
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation		Aggregate Year-to-Date > \$ 224686.03	
Full Name, Mailing Address, and ZIP Code Democratic National Committee Federal Fund 430 South Capitol Street Washington DC 20003		Name of Employer		Date (month, day, year) 08/15/2000	Amount of Each Receipt this Period 83386.00 Record Wire
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation		Aggregate Year-to-Date > \$ 308072.03	
Full Name, Mailing Address, and ZIP Code Democratic National Committee Federal Fund 430 South Capitol Street Washington DC 20003		Name of Employer		Date (month, day, year) 05/22/2000	Amount of Each Receipt this Period 85248.00 Record Wire
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation		Aggregate Year-to-Date > \$ 393320.03	
Full Name, Mailing Address, and ZIP Code Democratic National Committee Federal Fund 430 South Capitol Street Washington DC 20003		Name of Employer		Date (month, day, year) 06/27/2000	Amount of Each Receipt this Period 8007.52 Record Deposit
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation		Aggregate Year-to-Date > \$ 402227.55	
Full Name, Mailing Address, and ZIP Code Democratic Party of Illinois Non-Federal Account P.O. Box 518 Springfield IL 62705		Name of Employer		Date (month, day, year) 06/23/2000 Transfer from NF acct for Demo-National Committee	Amount of Each Receipt this Period 170752.00
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation		Aggregate Year-to-Date > \$ 170752.00	
SUBTOTALS of Receipts This Page (Optional)					

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

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FOR LINE NUMBER 11C

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NAME OF COMMITTEE (in Full)
DEMOCRATIC PARTY OF ILLINOIS

AE
 MS

Full Name, Mailing Address, and ZIP Code Democratic Party of Illinois-Non-Federal Account P.O. Box 518 Springfield IL 62705	Name of Employer	Date (month, day, year) 08/23/2000 Transfer from NIF for Demo. Nat. Committee	Amount of Each Receipt this Period 573419.00
	Occupation		
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date \$ 744171.00		
Full Name, Mailing Address, and ZIP Code Democratic Victory 2000 571 Second Avenue, N.E. Washington DC 20002	Name of Employer	Date (month, day, year) 06/29/2000	Amount of Each Receipt this Period 85290.00 Record wire
	Occupation		
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date \$ 85290.00		

SUBTOTALS of Receipts This Page (Optional)

Total

1232105.60

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every receipt, invoice, and bill should be properly filed and indexed for easy retrieval. This not only helps in tracking expenses but also ensures compliance with tax regulations.

Next, the document outlines the process of reconciling bank statements with the company's financial records. It stresses the need to identify and resolve any discrepancies as soon as they are discovered to prevent errors from compounding over time.

The following section covers the preparation of financial statements, including the balance sheet, income statement, and cash flow statement. It provides a step-by-step guide on how to gather the necessary data and present it in a clear and concise manner for management review.

Finally, the document concludes with a summary of key points and a reminder to stay vigilant in monitoring the company's financial health. It encourages regular communication between the finance department and other stakeholders to ensure everyone is on the same page.