



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Barbara Rom, Treasurer
Michigan Democratic State Central
Committee /Federal Acct.
606 Townsend
Lansing, MI 48933

JAN 15 1997

Identification Number: C00031054

Reference: October Quarterly Report (7/1/96-9/30/96)

Dear Ms. Rom:

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 supporting Line 12 discloses a transfer-in from the Democratic National Committee. Schedule B and Schedule H4 supporting Line 21(b) and Line 21(a) reflects payments for posters, bumper stickers, etc. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used including distribution by direct mail; all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.7(b)(15) and (17) and Pages 14 and 15 of the Campaign Guide for Party Committees.

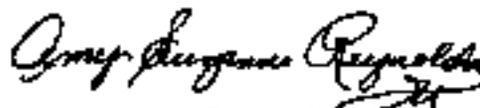
Please clarify the nature of the transfers-in and subsequent payments for posters, bumper stickers, etc. If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate.

-Schedule A of your report discloses \$5,379 in in-kind contributions to your committee from other committees. Please be advised that in addition to disclosing in-kind contributions as receipts on Schedule A, the value of the in-kind contributions must be added to the operating expenditures total on Line 21(b), in order to avoid inflating the cash-on-hand amount. 11 CFR §104.13(a)(2) Please amend your report by including the in-kind contributions on Schedule B in your total for Line 21(b) of the Detailed Summary Page.

-Your EVENT YEAR-TO-DATE calculations for Administrative/Voter Drive are incorrect. EVENT YEAR-TO-DATE totals for administrative and voter drive costs are derived by aggregating all disbursements during the calendar year for the whole Administrative/Voter Drive category. This discrepancy appears to be caused by omitted disbursements on pages 40 and 112 of Schedule H4. Please amend your report by providing the correct Administrative/Voter Drive EVENT YEAR-TO-DATE totals.

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,



Amy Suzanne Reynolds
Reports Analyst
Reports Analysis Division

