



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Bobbie Williams, Treasurer
United Democratic Campaign of the East Bay
3539 Jordan Road
Oakland, CA 94619

JUN 18 2003

Identification Number: C00382499

Reference: Amended October Quarterly Report (7/01/02-9/30/02), dated 3/05/03
and Amended Year-End Report (10/01/02-1/31/03), dated 3/05/03

Dear Mr. Williams:

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:

-Line 21(a) of the Detailed Summary Page discloses joint federal/non-federal operating expenditures during the reporting period. Committees must itemize each allocated disbursement made from its federal account or separate allocation account regardless of the amount. Please amend your report(s) by itemizing the expenditures on Schedule H4. 11 CFR §104.10

-A political committee that has established a federal account and a non-federal account must allocate between its federal and non-federal account all expenses for administrative costs, generic voter drives and fundraising programs or events. 11 CFR §106.6(b)(2)

Separate Segregated Funds and Nonconnected committees must report the estimated percentages of their direct federal and non-federal candidate support for a two-year election cycle by filing a Schedule H1. To calculate the allocation ratio for administrative and generic voter drive costs, nonconnected committees use the funds expended method. 11 CFR §106.6(c)(1)

Party committees must allocate any administrative expenses between the federal and non-federal accounts in proportion to the ballot composition method derived from FEC Schedule H1. 11 CFR §106.5

Schedule H2 is used by all political committees to report the allocation ratios of their joint federal and non-federal fundraising events and direct candidate support programs. Schedule H2 is filed with each report that discloses a disbursement for a shared activity. Schedule H3 is used by all political committees to report transfers received by the federal account from the non-federal account(s) to pay the non-federal share of allocable expenses.

Any expenditures made on behalf of both federal and non-federal candidates (including in-kind contributions, independent expenditures and coordinated expenditures) must also be allocated between your committee's federal and non-federal accounts. Schedule H4 is used by all political committees to report payments for allocable expenses. 11 CFR §§106.1(a) and 106.5

Please clarify the procedures you are currently using to allocate shared activity. The Commission recommends that you take steps to correct any non-compliance with the regulations. Also, your committee should establish procedures to ensure future compliance with the allocation regulations.

A response or 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. 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 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,



Kristen R. Davis
Campaign Finance Analyst
Reports Analysis Division