

RQ-2



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 24, 2004

Joe R. Arnold, Treasurer  
Tennessee Republican Party  
Federal Election Account  
1922 West End Avenue  
Nashville, TN 37203

**Response Due Date:**  
**April 16, 2004**

Identification Number: C00040220

Reference: Amended December Monthly Report (11/1/03-11/30/03), received  
2/20/04

Dear Mr. Arnold:

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:

-In a miscellaneous electronic submission to the Commission on 2/6/04, you stated "As we discussed over the phone, our amendment reflects the administrative expenses incurred during the first half of the year, showing them as memo entries for filing purposes." Hence, Schedule H4 of your report discloses \$35,800.30 in memo entries for apparent shared federal and non-federal administrative expenses paid directly from your non-federal account. As it appears the federal account did not pay for its portion of these administrative expenses, you are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections.

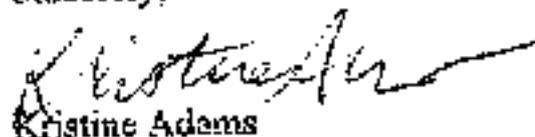
Further, 11 CFR §106.7(f)(1)(i) states that State, district, and local party committees must pay the entire amount of an allocable expense from its Federal account and transfer funds from its Non-Federal account to the Federal account solely to cover the Non-Federal share of that allocable expense. If your Non-Federal account paid for any portion of the Federal share of these administrative expenses, you must immediately repay your Non-Federal account and/or disclose that amount as a debt owed to your Non-Federal account on Schedule D.

You are advised to correct any non-compliance with 11 CFR §106.7 and establish procedures to insure future compliance with allocation regulations. Although the Commission may initiate legal action regarding the apparent impermissible transactions conducted by your Non-Federal account, any clarifying information that you can provide will be taken into consideration.

Unlike previous election cycles, 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 1, then press 2 to reach the Reports Analysis Division) or my local number (202) 694-1141.

Sincerely,



Kristine Adams  
Campaign Finance Analyst  
Reports Analysis Division

