

SENATE MAJORITY FUND C00368431

January 30, 2004

## EXPLANATION OF ADMINISTRATIVE EXPENSES FOR 2004

1. **General.** Administrative expenses of the Senate Majority Fund are low because our local fundraising is done by a professional fundraiser on a contract basis. She is paid based on a percentage of funds raised. As would any contractor, she uses her own telephone and office equipment. She does not do her work at the Senate Majority Fund office.

2. **Employees.** The Senate Majority Fund has four part-time employees, the Treasurer and three others. Their wages will continue to be properly reported. Because fundraising activities are "outsourced", activities at the Senate Majority Fund are limited to processing mail, writing checks for expenses and contributions, and complying with the Federal Election Campaign Act.

3. **Rent.** The Senate Majority Fund rents a small, one room office from the Jon Kyl for U.S. Senate Committee. The rent paid is in proportion to the percentage of square footage used. Utilities are included in the rent paid by the Jon Kyl for U.S. Senate Committee.

4. **Rent of Equipment.** The Senate Majority Fund rents a desk, chair, filing cabinet, computer, and telephone at the rate of forty-five dollars a month. This is the fair market value of rental for this equipment.

5. **Telephone and Internet Service.** The Senate Majority Fund reimburses Jon Kyl for U.S. Senate for telephone and internet services. The Senate Majority Fund pays one-third of the total telephone service and one-half of the internet services. These percentages are based on estimated relative use of these services.