



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

February 26, 2017

HOWARD M. HEADLEE, TREASURER  
FRIENDS OF TRADITIONAL BANKING  
INC  
175 S MAIN STREET  
SUITE 1420  
SALT LAKE CITY, UT 84111

**Response Due Date**  
**04/03/2017**

IDENTIFICATION NUMBER: C00517276

REFERENCE: 30 DAY POST-GENERAL REPORT (10/20/2016 - 11/28/2016)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 2 item(s):

1. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule B to clarify the following description(s): "Consulting Fee." (11 CFR §§104.3(b)(3) and 104.10(a)(4))

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register can be found at: [http://www.fec.gov/law/policy/purposeofdisbursement/inadequate\\_purpose\\_list\\_3507.pdf](http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf)

2. Schedule H4 of your report discloses a reimbursement to an individual for "Reimburse for Constant Contact." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. (11 CFR § 104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3)

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- Schedule H4 discloses activity which is paid for with 100% non-federal funds. For future filings, please be advised that any activity which is financed entirely by the federal account (including administrative expenses), should be reported on Schedule B supporting Line 21(b). Any activity which is 100% non-federal and permissibly financed entirely by the non-federal account, should not be disclosed on the FEC Form 3X (11 CFR §104.10)

For your information and consideration when preparing future filings, Separate Segregated Funds and Nonconnected committees that have established a federal account and a non-federal account may pay administrative expenses, costs for generic voter drives and expenses related to public communications referencing any political party from their federal account, or allocate between their federal and non-federal accounts. Committees that choose to allocate these expenses must disclose the allocation ratio to be applied to each category of activity on a Schedule H1.

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 allocated 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 and independent expenditures) must 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))

For your next filing, please refer to the instructions for each line and schedule when determining the proper categorization(s).

**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. 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. **Requests for extensions of time in which to respond will not be considered.**

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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. For additional information about the report review process or specific filing information for your committee type, please visit the Reports Analysis Division's Frequently Asked Questions on the FEC website. 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 5 to reach the Reports Analysis Division) or my local number (202) 694-1185.

Sincerely,

A handwritten signature in black ink that reads "Samantha Hay". The signature is written in a cursive, flowing style.

Samantha Hay  
Campaign Finance Analyst  
Reports Analysis Division