



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

September 8, 2004

RQ-2

Richard F. Neel, Jr., Treasurer  
Republican Party of Virginia, Inc.  
115 East Grace Street  
Richmond, VA 23219

**Response Due Date:**  
**October 8, 2004**

Identification Number: C00001305

Reference: April Monthly Report (3/1/04-3/31/04)

Dear Mr. Neel:

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:

-A memo text attached to this report states: "since we had no employees spending 25% or more of their time on Federal Election activity except for our Finance Director, all were paid with non-federal dollars." However, your report does not disclose any payments for salary on Schedule B supporting Line 30(b) of the Detailed Summary Page. If your Finance Director, or any other employee of your committee, spent more than 25 percent of their time on Federal Election Activity or activities in connection with a Federal election, the salary and "fringe benefits" payments should appear on a separate Schedule B, supporting line 30(b) of the Detailed Summary Page. Please amend your report to clarify this discrepancy.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$22,115.47 for "direct mail postage," "direct mail expense," "telemarketing" and "postage." Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s). However, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, would constitute an in-kind contribution, an independent

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expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity or provide clarifying information.

-Schedule A supporting Line 15 of the Detailed Summary Page discloses a refund(s) or rebate(s) of what appears to be a previously disclosed allocable expense(s) from Dominion Virginia Power. Please be advised that when a committee receives a refund or rebate of an allocable expense, it must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Your report does not appear to disclose a transfer-out of the non-federal portion of this refund(s) or rebate(s). Please provide clarification regarding this apparent omission.

-Schedule H4 of your report discloses disbursements for the Administrative category which use a ratio that is inconsistent with the ratio disclosed on Schedule H1 for the 2004 election cycle. The fixed ratio for the allocation of administrative, generic voter drive and exempt activity expenses should be the same for the full two-year election cycle. Please amend your report to clarify this apparent discrepancy.

Please note that if your non-federal account has overpaid your federal account because of this miscalculation, it will be necessary to immediately transfer these funds back to the non-federal account. While the Commission may take further legal action concerning any impermissible overpayments by the non-federal account, your prompt action will be taken into consideration.

-Schedule H4 of your report discloses \$4,000 in payments for "IT Consulting" to individuals. Please clarify whether these individuals are employees of your committee. You are advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity or activities in connection with a Federal election must not be allocated between or among federal, non-federal and Levin accounts. Rather, only federal funds may be used. Any reimbursement from your committee's non-federal or Levin account for salary and wage payments is not permissible and must be returned. Please provide clarification regarding these payments.

-Please amend your report by providing the purpose for each disbursement itemized on Schedule B supporting Line(s) 21(b).

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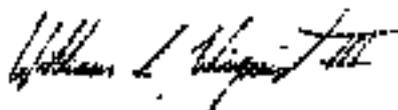
-Please amend your report by providing the address and purpose for each disbursement itemized on Schedule(s) H4 supporting Line(s) 21(a).

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your report to clarify the following description(s): "no cr ed proc fees," "no fee," "discount fees" and "service payt." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

**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 5 to reach the Reports Analysis Division) or my local number (202) 694-1394.

Sincerely,



William S. Wiquist  
Campaign Finance Analyst  
Reports Analysis Division

