

This submission is in response to your letter dated July 1, 2009.
In that letter you requested an explanation of non-federal activity disclosed on H4.

This activity relates to corporate in-kind (non-monetary) contributions. Those contributions were also reflected as incoming transfers from our non-federal account. This method of accounting for in-kind contributions is suggested in the Campaign Guide for Political Party Committees.

There was no reimbursement from our committee's non federal account for any portion of this contribution. In fact, this was fully paid by the federal account via our escrow account as identified in the note attached to the disclosure as originally filed. That note stated:

Items 31311/31312 reflect the value of the in-kind contribution from Town & Country Resort & Convention Center. Prior to this transaction, the escrow balance was \$26,068.91. That amount was then reduced by the federal share of the in-kind contribution ($\$188.14 \times 21\% = \39.51) leaving a new escrow balance of \$26,029.40. Items 31570/31573 reflect the value of the in-kind contribution from Alvarado Institute of Skin Care. Prior to this transaction, the escrow balance was \$26,029.40. That amount was then reduced by the federal share of the in-kind contribution ($\$68,500.00 \times 30\% = \$20,550.00$) leaving a new escrow balance of \$5,479.40
