



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-3

October 12, 2000

Stephen Katurinis, Treasurer  
McGuire, Woods, Battle & Boothe  
Federal Political Action Committee  
One James Center  
Richmond, VA 23219

Identification Number: C00225342

Reference: August Monthly Report (7/01/00-7/31/00)

Dear Mr. Katurinis:

On September 20, 2000, you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

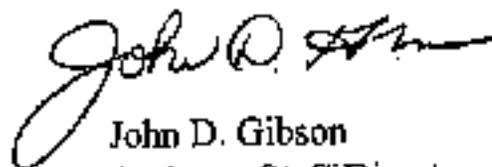
Your October 3, 2000 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-Your Amended August Monthly Report still discloses a contribution to the Steve Martin for Congress committee for the Primary election after the date of the Virginia Primary. Please note that contributions may not be designated for an election which has already occurred unless the funds are to be used to reduce a candidate committee's debts incurred during the election campaign. Please clarify if the contribution was intended to reduce the campaign debt or disclose any refunds as necessary on the appropriate schedules.

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An adequate response must be received at the Commission by November 1, 2000. 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.

If you should have any questions related to this matter, please contact Thomas F. Maxwell, III on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or our local number (202) 694-1130.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Gibson". The signature is fluid and cursive, with a large initial "J" and "G".

John D. Gibson  
Assistant Staff Director  
Reports Analysis Division

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and any other financial activity. The document also highlights the need for regular reconciliation of accounts to identify any discrepancies early on.

In the second part, the author provides a detailed breakdown of the accounting cycle. It starts with identifying the accounting period and ends with the preparation of financial statements. Each step is explained in detail, including the necessary journal entries and the use of T-accounts to organize the data. The document also includes a sample journal entry and a T-account to illustrate the process.

The third part of the document focuses on the classification of accounts. It explains how to distinguish between assets, liabilities, and equity accounts, and how to further subdivide them into current and non-current categories. This section is crucial for understanding the balance sheet and the statement of financial position.

Finally, the document discusses the importance of internal controls. It outlines several key principles, such as the separation of duties, the use of authorization, and the implementation of physical controls. These measures are essential for preventing fraud and ensuring the accuracy of the financial records.