



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 19, 2004

RQ-2

Deborah Trudell, Treasurer  
Nevada State Democratic Party  
409 Horn Street  
Las Vegas, NV 89107

**Response Due Date:**  
**December 20, 2004**

Identification Number: C00208991

Reference: September Monthly Report (8/1/04-8/31/04)

Dear Ms. Trudell:

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:

-The beginning cash balance of this report should equal the ending balance of your 2004 August Monthly Report. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-The totals listed on Lines 6(c), 7, 11(a)(iii), 11(d), 19, 20, 30(b), 30(c), 31 and 32, Column B of the Summary and Detailed Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Schedule A supporting Line(s) 11(c) of your report discloses a receipt(s) from a candidate committee(s) (see attached) which requires further clarification. For example, if this activity represents a transfer of funds, please indicate "transfer" on Schedule A supporting Line 11(c) of your report. If this activity represents a reimbursement for services provided to this committee, please indicate this on Schedule A supporting Line 15 of your report. Please amend your report to clarify the type of activity this receipt(s) represents.

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-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Contributions from other federal political committees should be properly disclosed on a separate Schedule A, supporting Line 11(c) of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

-Your report discloses an outstanding balance(s) beginning this period for a debt(s) owed to Eastern Beltway Center, Linda Goldberg, MGM Grand Inc. and Property Management & Dev. Corp. However, an outstanding balance(s) at the close of the period was not disclosed on your 2004 August Monthly Report. Please amend your report(s) to clarify this discrepancy.

-Schedule B supporting Line 29 of your report discloses a disbursement for an apparent refund or rebate to your non-federal account for a previously allocated expense. Please clarify the name(s) of the vendor, amount(s), and date(s) of this apparent refund received by your federal account. Furthermore, the federal account must transfer the non-federal portion to the non-federal account using one of two methods.

The method of reporting described in Advisory Opinion 1995-22 allows a committee to itemize the refund or rebate as a negative entry on Schedule H4. Alternatively, a committee may disclose the receipt of the refund or rebate into the federal account on Schedule A supporting Line 15, and the transfer of the non-federal account's share to the non-federal account on Schedule H4. Please refer to the enclosed sample of properly reported refunds and rebates of allocable activity and amend your report as appropriate.

-On Schedule H4, your allocated activity or event year-to-date total calculations for Administrative category are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive and exempt activity costs are derived by aggregating all disbursements during the calendar year for each separate category. Allocated activity or event year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals.

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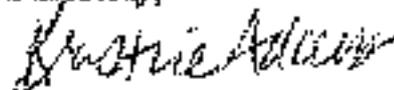
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-Please clarify all expenditures made for "catering/room rental" on Schedule(s) H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

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) 694-1141.

Sincerely,



Kristine Adams  
Campaign Finance Analyst  
Reports Analysis Division

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Receipts(s) from Candidate Committee(s):

Contributor Name	Date	Amount	Report
BERKLEY FOR CONGRESS	07/22/04	\$25,000.00	2004 August Monthly
BERKLEY FOR CONGRESS	08/30/04	\$50,000.00	2004 September Monthly
Friends for Harry Reid	04/16/04	\$100,000.00	2004 May Monthly
Friends for Harry Reid	07/31/04	\$50,000.00	2004 August Monthly
Friends for Harry Reid	08/27/04	\$50,000.00	2004 September Monthly

# Sample

## ALLOCATION OF REBATE (H4) (METHOD 1)

SCHEDULE H4 (FBC Form 300)		DISBURSEMENT FOR SHARED FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE	
NAME OF SOURCE (F4a)		LINE	OF
Freedom Party State Committee		FOR	UNIT
A. FEDERAL FUND, FEDERAL SHARE		PERCENT OF TOTAL	
Acme Office Supply			
B. NON-FEDERAL FUND, NON-FEDERAL SHARE			
CITY		DATE	AMOUNT
ST		01/01/00	\$1,000.00
D. FEDERAL SHARE		NON-FEDERAL SHARE	
250.00		750.00	
TOTAL AMOUNT		1,000.00	

## 9. Refunds and Rebates of Allocable Expenses

If a committee receives a refund or a rebate of an allocable expense, the refund or rebate must be deposited in the federal or allocation account. The refund or rebate must then be allocated between the federal and nonfederal accounts according to the same allocation ratio used to allocate the original disbursement. The federal account must transfer the non-federal portion to the nonfederal account.

### Example

A committee receives a \$400 rebate on office equipment from the Acme Office Store. The original purchase was an administrative expense allocated according to the following ratio: 64 percent federal; 36 percent nonfederal.

Reporting Method 1 illustrates how this rebate would be reported according to the method approved in Advisory Opinion (AO) 1995-22. Reporting Method 2 shows how the rebate would be reported under an alternative method.

### Reporting Method 1

Using the method of reporting described in AO 1995-22, the committee discloses the receipt of the rebate and the federal and nonfederal shares on Schedule H4.

The amounts are negative entries subtracted from total shared federal and nonfederal disbursements for the reporting period (disclosed on Lines 21a(i) and (ii) of the Detailed Summary Page).

### Reporting Method 2

Under the alternative method, the committee reports the receipt of the \$400 rebate under the category "Offsets to Operating Expenditures" on

## RECEIPT OF REBATE (A/LINE 15) (METHOD 2)

SCHEDULE A (FBC Form 200)		TRANSFER RECEIPTS	
NAME OF SOURCE (F4a)		LINE	OF
Freedom Party State Committee		FOR	UNIT
A. FEDERAL FUND, FEDERAL SHARE		PERCENT OF TOTAL	
Acme Office Supply			
B. NON-FEDERAL FUND, NON-FEDERAL SHARE			
CITY		DATE	AMOUNT
ST		01/01/00	\$400.00
D. FEDERAL SHARE		NON-FEDERAL SHARE	
256.00		144.00	
TOTAL AMOUNT		400.00	

## NON-FEDERAL TRANSFER (H4) (METHOD 2)

SCHEDULE H4 (FBC Form 300)		DISBURSEMENT FOR SHARED FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE	
NAME OF SOURCE (F4a)		LINE	OF
Freedom Party State Committee		FOR	UNIT
A. FEDERAL FUND, FEDERAL SHARE		PERCENT OF TOTAL	
Freedom Party State Committee Nonfederal Account			
B. NON-FEDERAL FUND, NON-FEDERAL SHARE			
CITY		DATE	AMOUNT
ST		10/01/99	\$900.00
D. FEDERAL SHARE		NON-FEDERAL SHARE	
576.00		324.00	
TOTAL AMOUNT		900.00	

Line 15 of the Form 3X Detailed Summary Page.  
The committee uses Schedule H4 to disclose the  
federal account's \$256 transfer to the nonfederal  
account for the nonfederal share.

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