

The Committee's April Quarterly (01/01/06 - 03/31/06) is being amended pursuant to the Commission's request for clarifying information about certain transactions. The text included in this submission is a part of the Committee's response.

1. The Committee paid for nonfederal expenses out of its federal account as in-kind contributions to non-federal candidates. In some states it is impermissible under state law to pay for such expenses out of the federal account. Therefore the Committee was required to reimburse the federal account to be in compliance with particular state laws. These payments received should not be construed as impermissible nonfederal transfers, but as pro-rata payments in the normal course of business to offset expenditures reported on Schedule B. The Committee has determined that in the future payments to vendors for purely nonfederal expenses that are not allocable will be handled in a different manner, such as writing multiple checks to a vendor so that the portion of the expenditure that cannot legally be paid for from the federal account is paid directly from a nonfederal account.
2. The Committee has not received an impermissible contribution from the Gay & Lesbian Leadership Institute, Inc., a non-profit organization. Similar to arrangements between many small organizations, the Committee shares office space and certain staff with the Institute. The Committee serves as the common paymaster for the two organizations, and pursuant to a written management agreement between the Committee and the non-profit organization, the Committee bills the non-profit for its allocable share of staff and overhead expenses. The amount billed is based on the time each shared staff member spends working for each entity and an associated percentage overhead expenses.
3. The Committee receives operating refunds reported on Schedule A, Line 15, from members of the Board of Directors for food and beverage expenses to reimburse a portion of the cost of a dinner for the members at each board meeting. The cost of each dinner and gratuities is divided among the attendees and each pays his or her share. Members that bring a guest pay an additional share of the cost. No individual is charged an amount in excess of the cost so no contribution is accrued.
4. Schedule H-1 has been inserted into the amended report.
5. The ratio on Schedule H-2 for Event 05OS is corrected in the amendment; due to a clerical mistake it was entered backwards.
6. The ratio on Schedule H-2 for Event 06FR is 50% federal and 50% nonfederal, and is corrected in the amendment. The extraneous record with no percentage has been deleted. The purpose of the transaction for this event on Schedule H-4, a \$5,000 transfer of federal funds to the nonfederal account, is reported correctly as 100% federal. As indicated, the purpose of this transfer was to pre-pay the nonfederal account for the federal share of nonfederal contributions that might be received by the Committee for future fundraising events. The \$5,000 is the 100% federal portion of a future nonfederal transaction. Thus the federal account has pre-paid the nonfederal account rather than having received an impermissible transfer from the nonfederal account.
7. The expenditure for Facility Rental reported on Schedule H-4 was a deposit for a venue at the Committee's board meeting and was not made on behalf of a specifically identified federal candidate.
8. No disbursement itemized on Schedule B for Direct Mail Consulting, Postage, Printing and Telemarketing contained express advocacy in support or opposition to a federal candidate.
9. The disbursement reported on Schedule H-4 for Printing & Publishing did not contain express advocacy, and was not a public communication or for voter drive activity. The payment was to convert the Committee's annual financial report to an electronic format.
