



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

Steve Schneider, Treasurer
Alhambra Democratic Club
1419 S. Curtis Avenue
Alhambra, CA 91803

OCT 18 2001

Identification Number: C00302711

Reference: April Quarterly Report (1/1/00-3/31/00)

Dear Mr. Schneider:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule H4 discloses a disbursement(s) which is categorized as an exempt expense(s); however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the direct costs of each exempt activity in which the committee disburses funds for both federal and non-federal purposes. The costs are allocated according to the time and space method and reported on Schedule H2. 11 CFR §106.5(e). Please file a Schedule H2 to disclose the ratio for the exempt activity.

-You have made disbursements for a slate mailer which you have characterized as exempt activities. In order for an activity to be classified as exempt, it must meet the following conditions: (1) For slate cards and sample ballots: it names at least three candidates running for election to any public office, it is not distributed through public political advertising (including broadcast media, newspapers, magazines, and billboards), the content is limited to the identification of each candidate, the office or position currently held, the office sought and party affiliation, and the costs allocable to federal candidates are paid with permissible funds; (2) For campaign materials: the activity is conducted on behalf of the party's nominees in the general election, the materials are distributed by volunteers-not through public political advertising, the party committee does not use materials purchased by the national party committee or money transferred

from the national committee to purchase materials, the party committee does not use funds designated for a particular federal candidate, a payment from a non-federal campaign to help pay for the materials does not exceed its allocated share of the expenses, and the costs allocable to federal candidates are paid with permissible funds; (3) For voter drives: the activity is on behalf of the party's Presidential and Vice Presidential nominees, the activity does not involve the use of public political advertising such as television, radio, newspapers, magazines, billboards or direct mail, phone banks are operated by volunteers (although paid professionals may design the system, develop calling instructions and train supervisors), the party committee does not use funds transferred by the national party committee for voter drive activities, the party committee does not use funds designated for a particular federal candidate, and the cost allocable to federal candidates are paid with permissible funds.

If the activity disclosed on your report does not meet the definition of "exempt" activity as described above, and if any portion of the expenditures were made on behalf of specifically identified candidates, this amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate. Please provide the Commission with a more detailed explanation of these activities.

Any amendment or clarification should be filed with the Federal Election Commission. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Andrea Needles
Senior Reports Analyst
Reports Analysis Division

