

ETEXT ATTACHMENT

10/18/2005 12 : 42

Reference: July Monthly Report (6/01/05-6/30/05)

This is in response to your letter of September 23, 2005 regarding the July Monthly Report.

The 100% federal and 100% nonfederal ratios on Schedule H2 were created because of the requirements for reporting allocable in-kinds from nonfederal sources. As you know, the disbursement of the nonfederal in-kinds must be reported as 100% nonfederal entries on Schedule H4 (no federal share). The transfer from the federal account to cover the federal share of the allocable in-kinds must be reported as a 100% federal entry on Schedule H4 (no nonfederal share). To make these 100% federal and 100% nonfederal entries appear on H4, we had to create the extra ratios on Schedule H2. We thought that by giving the ratios names similar to the main ratio for the event, their association with reporting the allocable in-kinds would be clear.

As far as we have been able to determine, the FEC's electronic filing software will not otherwise permit us to enter on Schedule H4 the 100% federal and 100% nonfederal entries associated with allocable in-kinds. A filer cannot apply the H2 ratio for expenses paid directly for the event (in this case, 50/50) because that would result in reporting the disbursement of the nonfederal in-kinds and the federal-share transfer incorrectly.

We do not believe this report requires amending because we cannot see any other way to disclose this permissible activity using the FEC's filing software. Transactions, such as these, that are fairly straightforward on a paper report, can be very problematic in an electronic filing system. If there is a way to make these entries in the FEC's filing software that would result in clearer reporting of this permissible activity, please let us know.