



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Gary W. Fields, Treasurer  
American Bankers Association BankPAC  
1120 Connecticut Avenue, N.W., Suite 851  
Washington, DC 20036

SEP 20 2000

Identification Number: C00004275

Reference: July Monthly Report (6/1/00-6/30/00)

Dear Mr. Fields:

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:

-Please amend Schedule B supporting Line 23 by providing the office sought (i.e. House, Senate, President) for each contribution made. 11 CFR §104.3(b)(3)(ii) and (v)

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. 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,

Donald L. Averett  
Reports Analyst  
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, transfers, and adjustments. The document provides a detailed explanation of how to categorize these transactions correctly, ensuring they are recorded in the appropriate accounts. It also highlights the need for regular reconciliation of bank statements and other external records to identify any discrepancies early on.

The second part of the document focuses on the preparation of the income statement. It explains how to calculate net income by starting with total revenue and then subtracting all associated costs and expenses. The document provides a step-by-step guide to this process, including how to handle depreciation and amortization. It also discusses the importance of understanding the components of net income, such as operating profit and non-operating items, to provide a clear picture of the company's performance.

The third part of the document addresses the preparation of the balance sheet. It explains how to determine the company's financial position at a specific point in time by listing all assets and liabilities. The document provides a detailed breakdown of how to value these items, including inventory, property, and debt. It also emphasizes the importance of ensuring that the balance sheet is balanced, as this is a fundamental principle of accounting.

The final part of the document discusses the preparation of the cash flow statement. It explains how to track the company's cash and cash equivalents over a period, showing the sources of cash and the uses of cash. The document provides a detailed explanation of the three main categories of cash flows: operating activities, investing activities, and financing activities. It also discusses the importance of analyzing the cash flow statement to assess the company's liquidity and solvency.