



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Sara J. Lilygren, Treasurer
American Meat Institute
Political Action Committee
1700 N. Moore Street, Room 1600
Arlington, VA 22209

MAR 8 2000

Identification Number: C00024281

Reference: Year End Report (7/1/99-12/31/99)

Dear Ms. Lilygren:

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 provide a Schedule B to support the entry reported on Line 28(c) of the Detailed Summary Page. Each refund made to a political committee must be itemized on Schedule B regardless of the amount refunded. 2
U.S.C. §434(b)

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. My local number is (202) 694-1130.

Sincerely,

Lucy J. Denny
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 and income. The document provides a detailed explanation of how to categorize these transactions and how to use a double-entry system to ensure that the books balance.

Next, the document covers the process of reconciling bank statements. It explains that this is a crucial step in verifying the accuracy of the cash account. The process involves comparing the bank's record of transactions with the company's records and identifying any discrepancies. Common reasons for discrepancies include bank errors, timing differences, and unrecorded transactions. The document provides a step-by-step guide to performing a bank reconciliation and offers tips for avoiding common mistakes.

The third section of the document discusses the preparation of financial statements. It outlines the requirements for each statement, including the balance sheet, income statement, and statement of cash flows. It provides a clear explanation of how to calculate each component of these statements and how to present the information in a clear and concise manner. The document also includes a checklist of items to review before finalizing the statements to ensure that all necessary information has been included and that the numbers are correct.

Finally, the document discusses the importance of maintaining good records for tax purposes. It explains that accurate records are essential for calculating taxable income and for claiming deductions. The document provides a list of common tax deductions and explains how to document them properly. It also offers advice on how to organize records to make it easier to find the information needed for tax preparation.