



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

September 5, 2007

Chip Forrester, Treasurer
Tennessee Democratic Party
223 8th Avenue North, Suite 200
Nashville, TN 37203

**Response Due Date:
October 5, 2007**

Identification Number: C00167346

Reference: April Monthly Report (3/1/07-3/31/07), May Monthly Report (4/1/07-4/30/07), June Monthly Report (5/1/07-5/31/07), July Monthly Report (6/1/07-6/30/07), August Monthly Report (7/1/07-7/31/07)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following item:

-Schedule A of your report discloses in-kind contributions to your committee from the "Democratic National Committee" for the purpose of "On-Line Voter File Access In-Kind." Please be advised that the value of in-kind contributions must be added to the receipts and disbursements total in order to avoid either inflating or deflating the cash on hand amount, and itemized on the appropriate Schedules A and B. 11 CFR § 104.13(a)(2) The Commission notes the disbursements on Schedule B to "Voter Activation Network" for the purpose of "On-Line Voter File Access In-Kind." Please clarify if these disbursements relate to the receipt of in-kind contributions on Schedule A. Please refer to the enclosed sample of properly reported in-kind contributions.

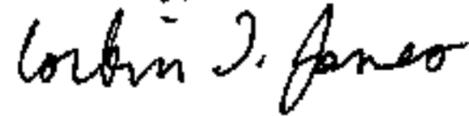
Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to

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taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1177.

Sincerely,



Corbin T. Jones
Campaign Finance Analyst
Reports Analysis Division

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IN-KIND CONTRIBUTIONS

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE 1 OF 3
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for promotional purposes, other than using the name and address of any political committee to solicit contributions from such committee.				
NAME OF COMMITTEE (in full) Freedom Party State Committee				
Full Name (Last, First, Middle Initial) Blank, Jerri		Date of Receipt 03 18 2004		
Mailing Address 111 Lincoln Ave. City ST 00000		Amount of Each Receipt This Period 500.00		
FED ID number of contributing federal political committee C		In-kind raffle prize		
Name of Employer Eterna-Spring, Inc.		Occupation Chief Executive Officer		
Product For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Aggregate Year-to-Date 500.00		

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE 1 OF 3
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for promotional purposes, other than using the name and address of any political committee to solicit contributions from such committee.				
NAME OF COMMITTEE (in full) Freedom Party State Committee				
Full Name (Last, First, Middle Initial) Blank, Jerri		Date of Disbursement 03 18 2004		
Mailing Address 111 Flatpoint Ave. City ST 00000		Amount of Each Disbursement This Period 500.00		
Purpose of Disbursement Raffle Prize		in-kind		
Candidate Name		Category TRU		
Union Support: <input type="checkbox"/> None <input type="checkbox"/> Some <input type="checkbox"/> Proportional State: Blank		Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		

Itemize in-kind contributions on both Schedules A and B so as not to inflate the cash on hand balance.

Best Efforts Required

Apply "best efforts" to obtain and report the information listed above. See page 52 for information.

In-Kind Contributions

When determining whether to itemize an in-kind contribution, follow the same guidelines listed under "When to Itemize Receipts," page 62. See page 10 for information on how to determine the dollar value of an in-kind contribution.

In addition, add the value of the in-kind contribution to the operating expenditure total on Line 21 b (in order to avoid inflating the cash-on-hand amount). 104.33(a)(2).

If the in-kind contribution must be itemized on Schedule A, then it must also be itemized on a Schedule B for operating expenditures (see illustration).

Appreciated Goods

When a committee receives an in-kind contribution whose value may appreciate over time, such as stock or artwork, special reporting rules apply:

- Itemize the initial gift, if necessary, as a memo entry on Schedule A. Under "Amount," report the fair market value of the contribution on the date the item was received. (Reminder: the amount is subject to the \$10,000 contribution limit.) Do not include that amount in the total for Line 11 a(i) on the Detailed Summary Page.
- Once the item is sold, report the sale price as a contribution on Line 11 a(i) if the purchaser is known or as an "other receipt" on Line 15 if the purchaser is unknown. Itemize the transaction on Schedule A if necessary. 104.13(b). See also AO 1989-6.