



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

May 26, 2010

Bradford Cummings, Treasurer  
Louisville & Jefferson County Republican  
Executive Committee  
P.O. Box 24843  
Louisville, KY 40224

**Response Due Date:  
June 30, 2010**

Identification Number: C00015594

Reference: Mid-Year Report (1/1/09 – 6/30/09)

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 2 items:

1. Your report discloses a disbursement totaling \$24,090.77 on Schedule B to "Jefferson County Republican Party" for "Transfer of Misdeposited donations to State Account". Schedule D discloses \$24,090.77 in outstanding debts owed to "Louisville & Jefferson County Republican Executive Committee" for "Deposits should be made to non-fed acct" and "Deposit transfer to non-federal account."

Please clarify if the disbursement on Schedule B is for payment of the debts reported on Schedule D. In addition, please be advised that debt payments must also be reflected on a Schedule D. Please amend your report to clarify this discrepancy. 2 U.S.C. §434(b)(4)

2. Your report discloses a negative ending cash balance of \$12,562.05. This suggests that you have either overdrawn your account, made a mathematical error, or incurred a debt. If your committee has incurred a debt or obligation, please show a zero balance on Line 8 of the Summary Page and reflect the amount and the nature of the debt on Schedule D and Line 10 or provide clarifying information. 2 U.S.C. §434(b)(8)

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3. Schedule A supporting Line 16 of your report discloses an offset to an operating expenditure(s) totaling \$131.84 from "Thoroughbred Associates, Inc."; however, there are only \$47.66 in disbursements to this entity disclosed on a previously filed H4 schedule(s). Please provide clarifying information regarding this discrepancy and amend your report(s) if necessary.

Please be advised that when a committee receives a refund or rebate of an allocable expense, it must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Your report does not appear to disclose a transfer-out of the non-federal portion of this refund(s) or rebate(s).

4. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Office Staffing and Management," "Office Staffing & Management" and "Insurance." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

5. Schedule H4 discloses 100% non-federal activity. Please be advised that by definition, this activity does not qualify as an expense(s) that can be allocated between your federal and non-federal accounts. If the disbursements were for operating expenditures paid for with 100% federal funds, they should be itemized on Schedule B for Line 21(b) of the Detailed Summary Page. If these expenses were permissibly paid for with 100% non-federal funds, they should not be disclosed on Schedule H4. Further, any reimbursement from your committee's non-federal account for any

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portion of this activity is not permissible and must be returned. 11 CFR §102.5(a)(1)(i) Please amend your report to clarify this discrepancy.

6. Your report does not include a Schedule H1 to disclose the ratio for the allocation of certain costs. For State, District and Local party committees, Schedule H1 must be filed in the first report each calendar year that discloses an allocable disbursement. Further, all shared administrative, generic voter drive and exempt activity costs incurred during the two-year cycle must be allocated according to the appropriate fixed ratio, unless the federal account elects to pay a higher percentage of its cost. 11 CFR §106.7(d)(2), (d)(3)

7. Please amend your report by providing the address for each disbursement itemized on Schedule(s) H4 supporting Line(s) 21(a).

8. Schedule H4 of your report discloses reimbursements to individuals for "Reimbursement for Postage and Office Supplies" and "Reimbursement for Lincoln Day Dinner." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. 11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3

9. Please clarify all expenditures made for "Fundraising Event," "Lincoln Day Dinner down payment" and "Reimbursement for Lincoln Day Dinner" on Schedule H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

Alternatively, if the payment(s) on Schedule H4 is associated with fundraising activity conducted for your committee's federal and non-federal accounts, it must be allocated according to the funds received method and the ratio reflected on Schedule H2. Further, it must be categorized as a fundraising activity on Schedule H4. Please provide clarifying information regarding the nature of this transaction(s) and amend your report(s) as appropriate.

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- Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Offsets to Operating Expenditures (Refunds, Rebates, etc.) should be properly disclosed on a separate Schedule A, supporting Line 15 of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

**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 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) 694-1172.

Sincerely,



Alexandra T. Broomhead  
Campaign Finance Analyst  
Reports Analysis Division

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