



# Rhode Island Republican Party

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PROVIDENCE, R.I. 02903

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APR 21 1 52 PM '97

John A. Holmes, Jr., Chairman

April 15, 1997

Federal Election Commission  
Attn: Andrea Wilkens, Reports Analyst  
999 E Street, NW  
Washington, DC 20463

Dear Andrea:

This letter is in response to your inquiry dated April 9, 1997, a copy of which is attached, regarding the Federal Election Commission reports of the Rhode Island Republican State Central Committee (ID# C00078196).

Specifically you inquired about the Year End Report (11/26/96 - 12/31/96). As you may be aware, all of the items asked about in this inquiry are identical to the ones questioned in your inquiries dated March 19, 1997 about the 12 Day Pre-General Report (10/1/96 - 10/16/96) and the 30 Day Post-General Report (10/17/96 - 11/25/96). I have enclosed copies of those inquiries and my response to them as well, however in response to your April 9, 1997 inquiry please allow me to state them again below.

On Schedule D we do report a debt to the Non-Federal Account for \$8,041.79. This debt has been consistently reported on our reports going back to at least 1987, prior to the inception of the current rules for administrative expenses. Prior to 1991 the Federal Election Commission allowed non-federal accounts to pay the full administrative expenses and transfers be made from the federal account to cover the federal share. When the new rules took effect, the Federal account still had an outstanding debt of \$106,476.77. Being a Party with little federal activity it was impossible to repay the debt immediately. Over the course of the last 6 years the Party has consistently made payments to the non-federal account to reduce this debt and hopes to eliminate it by years end.

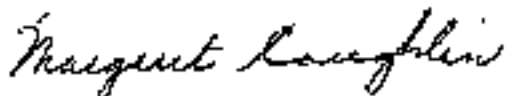
In regard to our Event Year To Date totals for administrative and fundraising costs, we have been reporting our totals in the same manner since at least 1989, when the person responsible for completing the required FEC forms was first hired. This is the first request we have had to change our method of reporting and we will be glad to comply with your request in our subsequent filings.

As relates to your inquiry regarding limited payments for administrative expenses and the use of the Ballot Composition Method, I have attached a copy of form H1 that we filed with our first report last year. All of our administrative expenses were allocated according to this method and reported on form H4 when paid. All unpaid expenses were reported on Schedule D.

Form H2 is enclosed in the report to show the allocation of fundraising events held prior to the reporting dates covered in this report. This form was included for informational purposes only since non-federal account transfers to cover the costs of these events were shown on form H3. There were no corresponding disbursements during this period. (The disbursements were reported on the previous report, the 12 Day Pre-General Report.)

If there is any further information you need, please do not hesitate to contact either myself or Richard Scarpellino at the R.I. Republican Party office at (401) 453-4100.

Sincerely,



Margaret Coughlin  
Treasurer



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Margaret C. Coughlin, Treasurer  
Rhode Island Republican State  
Central Committee  
18 Bridge Street  
Providence, RI 02903

Identification Number: C00078196

Reference: Year End Report (11/26/96-12/31/96)

Dear Ms. Coughlin:

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:

-Schedule D supporting Line 10 of the Summary Page discloses debts owed to your non-federal account totalling \$8,041.79. 11 CFR §§106.5 and 106.6 requires that all shared expenses be paid from the federal account and allows the non-federal account to transfer-in its share of the expense no more than 10 days before or 60 days after payment by the federal account.

The outstanding debt owed to your non-federal account must be paid immediately, as it represents a subsidization of federal activity by your non-federal account. Such activity is a violation of 11 CFR §102.5.

Although the Commission may take further legal steps concerning this prohibited activity, your prompt payment of the debt will be taken into consideration.

-Your EVENT YEAR-TO-DATE calculations for Administrative/Voter Drive are incorrect. EVENT YEAR-TO-DATE totals for administrative and voter drive costs are derived by aggregating all disbursements during the calendar year for the whole Administrative/Voter Drive category. EVENT YEAR-TO-DATE totals for fundraising, direct candidate support, and exempt activities are derived by aggregating all disbursements during

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the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous EVENT YEAR-TO-DATE total for that category or event. This running EVENT YEAR-TO-DATE total should be disclosed after each disbursement is listed. Please amend your report by providing the correct Administrative/ Voter Drive EVENT YEAR-TO-DATE totals.

-Your report discloses limited payments for administrative expenses. Each committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the BALLOT COMPOSITION METHOD derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X submitted each year. 11 CFR §106.5(d)

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

-Schedule H2 of your report indicates that your committee participated in fundraising activities or events during the reporting period. However, there are no corresponding disbursements reflected on your Schedule H4. If any disbursements were incorrectly reported, you should file an amended Schedule H4 with the correct unique identifying code or title.

Note that you need not include activities on Schedule H2 if there are no corresponding payments made for the activity during the reporting period.

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A written response or an amendment to your original report(s) correcting the above problem(s) should be filed A 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) 219-3580.

Sincerely,

*Andrea Wilkens*

Andrea Wilkens  
Reports Analyst  
Reports Analysis Division

Federal Election Commission  
**ENVELOPE REPLACEMENT PAGE  
FOR INCOMING DOCUMENTS**

The Commission has added this page to the end of this filing to indicate how it was received.

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PREPARER

4-22-97

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