



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-3

May 24, 2001

Mr. Dennis Booth, Treasurer  
Arizona Republican Party  
3501 North 24<sup>th</sup> Street  
Phoenix, AZ 85016

Identification Number: C00008227

Reference: 30 Day Post-General Report (10/19/00-11/27/00)

Dear Mr. Booth:

On May 2, 2001 you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your May 15, 2001 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-Schedule A of your report still discloses a receipt of \$1,047.33 from the Arizona Republican Party. Your response clarified that the transfer was from a non-federal account. Furthermore, you state that "the transfer was a reimbursement to the Federal account for an expense that was purely Non Federal and was mistakenly paid for by the Federal account." In order for your committee to accept the transfer from the non-federal account into accounts used to influence federal elections, you should take steps to insure that the funds transferred were from permissible sources to avoid violating 2 U.S.C. §§441a(f) and 441b. In addition, please provide the date that the federal account erroneously disbursed the funds for the non-federal event.

-Your calculation for the debt owed to Olsen & Delisi on Schedule D

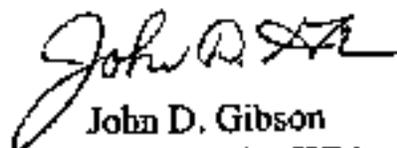
is still incorrect (Outstanding Balance Beginning This Period + Amount Incurred This Period - Payment This Period = Outstanding Balance at Close of This Period). Please amend your report to correct this discrepancy.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Your response amended several entries that were listed as "professional fees" to read "professional fees: consulting fee"; however this additional description is not sufficient. Please amend Schedule H4 of your report to clarify this description. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

An adequate response must be received at the Commission by June 13, 2001. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions for time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. 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.

If you should have any questions related to this matter, please contact Dominick Ciaraldi on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or our local number (202) 694-1130.

Sincerely,



John D. Gibson  
Assistant Staff Director  
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, income, and transfers between accounts.

Next, the document outlines the process of reconciling bank statements with the company's records. This involves comparing the bank's record of transactions with the company's ledger to identify any discrepancies. Common reasons for differences include timing issues, such as deposits in transit or outstanding checks, as well as potential errors in recording or bank charges.

The document then moves on to discuss the preparation of financial statements. It highlights the need for a clear and concise presentation of the data, using standardized formats and terminology. Key statements mentioned include the Balance Sheet, Income Statement, and Statement of Cash Flows. Each statement provides a different perspective on the company's financial performance and position.

Finally, the document concludes with a section on internal controls. It stresses that a robust system of internal controls is essential for preventing fraud, reducing errors, and ensuring the reliability of financial information. This includes implementing segregation of duties, regular audits, and maintaining proper documentation for all transactions.