



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

June 29, 2005

David Jamison, Treasurer  
Republican Party of Iowa  
621 E. Ninth Street  
Des Moines, IA 50309

**Response Due Date:**  
**July 29, 2005**

Identification Number: C00014498

Reference: 30 Day Post-General Report (10/14/04-11/22/04)

Dear Mr. Jamison:

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. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule A of your report discloses one or more contributions from an organization, which is not a political committee registered with the Commission (see attached). In addition, the contribution from the "Republican Governors Association" appears to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) precludes a political committee from receiving contributions from a person or another committee in excess of \$5,000 in a calendar year. Also, in order to make contributions to your committee, organizations which are not political committees must either: 1) establish a separate account which contains only those funds permitted under the Act, or 2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution. 11 CFR §102.5(b)

If your committee does not finance non-federal activity, the receipt of the referenced contribution(s) may violate the limitations and prohibitions of 2 U.S.C. §§441a(f) and 441b. If your committee engages in both federal and non-federal activity, either through a separate non-federal account, or one account that finances activity in connection with both federal and non-federal elections, your committee may be in violation of 11 CFR §102.5(a).

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In order to be in compliance with the Act, your committee must: 1) refund to the donor or transfer-out to a non-federal account, the amount in excess of \$5,000 within 60 days of receipt and provide written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund must be honored. And 2) determine the extent to which your committee received funds that are not permissible, and refund or transfer-out the prohibited funds.

To the extent that your committee has received prohibited funds, you may have to make a refund. If within 30 days of receipt you (1) transferred the prohibited amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund, you may retain the contribution in an account not used to influence federal elections. Any request from a donor for a refund must be honored.

If the foregoing conditions for transfers to a non-federal account were not met within 30 days of receipt, the prohibited amount must be refunded. See 11 CFR §103.3(b)(1).

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. Should you choose to transfer-out or refund the funds, the Commission will presume the funds were impermissible, absent a statement from your committee to the contrary. Transfers-out and refunds should be disclosed on a Schedule B supporting Line 22 or 28 of the report covering the period during which they are

Although the Commission may take further legal action concerning the acceptance of prohibited and excessive contribution(s), your prompt refund or transfer-out will be taken into consideration.

-Schedule A supporting Line(s) 11(c) of your report discloses a receipt(s) from a candidate committee(s) (see attached) which requires further clarification. For example, if this activity represents a **transfer of funds**, please indicate "**transfer**" on Schedule A supporting Line 17 of your report. If this activity represents a reimbursement for services provided to this committee, please indicate this on Schedule A supporting Line 15 of your report. Please amend your report to clarify the type of activity this receipt(s) represents.

-The limitation on making coordinated party expenditures on behalf of a **Senate** candidate for the 2004 general election is \$167,970. Your reports, however, disclose coordinated party expenditures made on behalf of **Senator Charles E Grassley**, totaling \$292,960.70, which appear to exceed the limitations under 2 U.S.C. §441a(d) (see attached).

If any apparently excessive expenditure in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have made an excessive coordinated party expenditure, you must notify the candidate and request a refund of the amount in excess of the limitation.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund request sent to the candidate. In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received.

Although the Commission may take further legal action concerning the excessive coordinated party expenditures, prompt action in obtaining a refund will be taken into consideration.

-The totals listed on Lines 6(c), 7, 11(a)(iii), 11(c), 12, and 21(b), Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Your calculations for Line 8 appear to be incorrect. Cash-on-hand at the close of the current reporting period should always equal the closing calendar year-to-date cash-on-hand amount. Please provide the corrected total on the Summary Page.

-The beginning cash balance of this report should equal the ending balance of your **2004 12 Day Pre General Report (10/1/04-10/13/04)**. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-Schedule A supporting Line 12 discloses a transfer(s)-in from **Republican National Committee - Federal** Schedule B supporting Line 21(b) reflects

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payments for T-Shirts. Please be advised that a state or local party committee may pay for campaign materials (such as pins, posters, bumper stickers and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

Please clarify the nature of the transfer(s)-in and subsequent payments for the aforementioned disbursement(s). If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$559,070.29 for **"72 Hour Postcards, Bush Handout, Chase Phone Calls, Design Printing Mail Services Po, Design Printing Mail Services Post, Mileage/Postage/Copies/Maps/Ups/Ton, Mileage/Stamps, Postage - Absentee Ballot Postage, Postcard Mailing Absentee Handout P, Printing, Printing - Handouts, Printing/Mailing/Postage Absentee B, Sept.-Oct. Appeal/Printing/Postage/, and Telemarketing-Fundraising"**. Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24, or 25, as appropriate, rather

than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity or provide clarifying information.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) for **"Meals – GOTV, Subcontracted Services – GOTV, Subcontracted Services-Voter Regist, and Victory GOTV Phone Calls"** which appears to be disclosed on the wrong line of the Detailed Summary Page. Please be advised that Voter Identification, Generic Campaign and Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot is considered to be Federal Election Activity. 11 CFR §100.24 Please amend your report to properly disclose this activity on Line 30(b) or provide clarification regarding this activity.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for **"Group Dental Coverage, Group Health Insurance, Group Life Ins. Coverage, Payroll, and Payroll Taxes"**. 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 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.

**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 this improper allocation activity, your prompt action will be taken into consideration.

-Schedule H4 of your report discloses voided or returned checks for expenditures made during this or previous reporting periods. However, you have failed to disclose a transfer-out for the non-federal portion of these voided checks issued for allocable expenses. Please provide clarifying information regarding the non-federal portion and, in addition, please clarify if and when these checks were reissued. If they were not reissued, please clarify the steps your committee has taken to account for the federal portion of these voided or returned checks in order to avoid the acceptance of a prohibited in-kind contribution.

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-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B and H4 of your report to clarify the following description(s): "42-0489295, 42-0489295001, Co-Chair Allow, Inv. 4593, Sept-Oct.-Nov., Subcontracted Services - GOTV, Subcontracted Services, Subcontracted Services, Subcontracted Program, Subcontracted Services - Voter Regi, Subcontracted Services - Voter Regis, and Subcontracted Services - Voter Regist" For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Schedule H4 of your report discloses a payment to Capitol Resources, Inc., which is categorized as an Administration B 2 expense; however, the purpose of disbursement disclosed is Generic Fundraising: Subcontracted S. Please be advised that payments made for your committee's fundraising activities must be allocated according to the funds received method and the ratio reflected on Schedule H2. Please amend your report to clarify the appropriate category for this activity or provide clarifying information regarding this apparent discrepancy.

-Please clarify all expenditures made for Event Catering Service on Schedule(s) B. 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

-You have previously indicated that your committee has been using "best efforts" to obtain the full name, mailing address, occupation and name of employer for each contributor. However, an increasing number of entries lack this information. Please amend your report by supplying the omitted information or providing an explanation of your efforts in this regard. 11 CFR §§104.3(a)(4)(i) and 104.7

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Transfers from Joint Fundraising Committees, Transfers of Excess Campaign Funds from Federal Candidates, Transfers to Affiliated/Other Party Committee, and Contributions to Federal Candidate/Committees and Other Political Contributions should be properly disclosed on a separate Schedule A and B, supporting Lines 12, 17, 22, and 23, respectively (not Lines 11(c) and 21(b)) of the Detailed Summary Page. Please refer to the instructions for

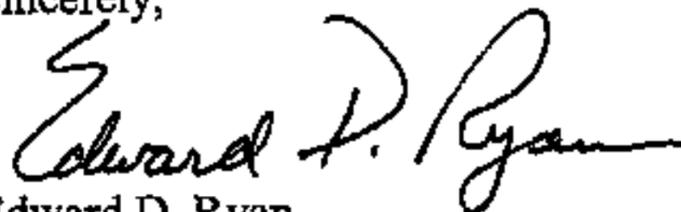
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each line when determining the proper categorization(s) for your next filing.

**Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter.** Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of 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.

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) 694-1144.

Sincerely,



Edward D. Ryan  
Campaign Finance Analyst  
Reports Analysis Division

Contributor Name	Date	Amount
Republican Governors Association	10/19/2004	\$100,000.00

Contributor Name	Date	Amount	Report
Grassley Committee Inc.	10/21/2004	200,000.00	2004 30 Day Post General
Grassley Committee Inc.	10/28/2004	\$25,000.00	2004 30 Day Post General
Grassley Committee Inc.	11/02/2004	35,000.00	2004 30 Day Post General

Recipient Name	Date	Amount	Election	Report
Senator Charles E Grassley	10/21/2004	\$60,900.00	G-2004	2004 30 Day Post General
Senator Charles E Grassley	10/21/2004	\$5,161.97	G-2004	2004 30 Day Post General
Senator Charles E Grassley	10/22/2004	\$76,677.00	G-2004	2004 30 Day Post General
Senator Charles E Grassley	10/25/2004	\$3,468.06	G-2004	2004 30 Day Post General
Senator Charles E Grassley	10/28/2004	\$35,880.67	G-2004	2004 30 Day Post General
Senator Charles E Grassley	10/29/2004	\$52,220.00	G-2004	2004 30 Day Post General
Senator Charles E Grassley	10/29/2004	\$4,473.00	G-2004	2004 30 Day Post General
Senator Charles E Grassley	11/18/2004	54,180.00	G-2004	2004 30 Day Post General

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