



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

William Batoff, Treasurer
Alerted Democratic Majority
Suite 1805, One Penn Center
Philadelphia, PA 19103

JUN 16 1999

Identification Number: C00142653

Reference: Amended October Quarterly Report (7/1/98-9/30/98), received 10/16/98

Dear Mr. Batoff:

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:

-The totals listed on Lines 29, 30, and 31, Column B of the 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 total. Please amend your report and any subsequent reports that may be affected by this correction.

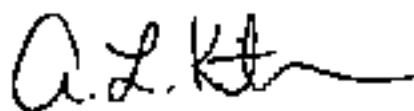
-The Summary Page discloses \$11,095.04 on Line 7, Column B but the Detailed Summary Page shows the Line 30 total to be \$10,185.20. These figures should be the same. Please amend your report accordingly.

-Schedule B supporting Line 23 discloses contributions to federal candidates for which no election designation has been provided. Please note that if no designation is included in your report, the contributions will be attributed to the next upcoming election for the recipient candidate. Thus, for future reporting purposes, it is in your committee's interest to designate the appropriate election in order to avoid the appearance of excessive contributions made to federal candidates by your committee.

-For future filings, please note that your committee need only file the pages on which you have itemized activity. Schedules with no activity may be omitted.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed 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) 694-1130.

Sincerely,



Antoinette Kitchen
Reports Analyst
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. It stresses the need to identify and explain any discrepancies between the two sets of records. Common reasons for differences include timing of deposits and withdrawals, as well as potential errors in recording or bank processing.

The document then moves on to discuss the preparation of financial statements. It provides a detailed overview of the income statement, balance sheet, and cash flow statement, explaining how each is derived from the underlying accounting data. It also highlights the importance of comparing these statements against budgeted figures to assess performance.

Finally, the document concludes with a section on internal controls. It describes various measures that can be implemented to prevent and detect errors or fraud, such as segregation of duties, regular audits, and the use of secure systems for recording transactions. The goal is to create a robust framework for financial management that ensures accuracy and transparency.