



FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

April 6, 1981

MEMORANDUM

TO: FRED EILAND
PRESS OFFICE

FROM: BOB COSTA *RC*

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT
ARRANGEMENTS COMMITTEE OF THE REPUBLICAN
NATIONAL COMMITTEE FOR THE 1980 REPUBLICAN
NATIONAL CONVENTION

Attached please find a copy of the final audit report for the above named committee which was approved by the Commission on March 27, 1981.

Informational copies of the report have been received by all parties involved and this report may be released to the public.

Attachment as stated

cc: FEC Library
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Public Record ✓



FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

REPORT OF THE AUDIT DIVISION ON THE ARRANGEMENTS COMMITTEE OF THE REPUBLICAN NATIONAL COMMITTEE FOR THE 1980 REPUBLICAN NATIONAL CONVENTION

I. Background

A. Overview

This report is based on an audit of the Arrangements Committee of the Republican National Committee for the 1980 Republican National Convention ("the Committee"), to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 9008(g) of Title 26 of the United States Code which directs the Commission to conduct an examination and audit of the payments for Presidential nominating conventions no later than December 31 of the calendar year in which the convention is held. In addition, Section 9008.9 of Title 11 of the Code of Federal Regulations states, in part, that the Commission shall conduct an examination and audit of the convention committee no later than December 31 of the calendar year of the convention.

The Committee registered with the Federal Election Commission on August 10, 1978 as an affiliate of the Republican National Committee. On June 4, 1979, the Republican National Committee designated the Committee as the convention committee of the Republican Party. The Committee maintains its headquarters in Washington, D.C. The audit covered the period from August 10, 1978 through September 30, 1980. During the period, the Committee reported a beginning cash balance of \$-0-, total receipts of \$4,517,451.76, total expenditures of \$4,408,756.54, and an ending cash balance on September 30, 1980 of \$108,695.22. In addition, certain financial activity has been reviewed through March 4, 1981.

This audit report is based on documents and working papers which support each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in this report and were available to Commissioners and appropriate staff for review.

B. Key Personnel

The principal officers for the period audited were: Mr. Bill Brock, Chairman; Mr. William J. McManus, Treasurer, for the period August 10, 1978 through February 22, 1979, and Ms. Ginny C. Martinez, Treasurer, for the period February 22, 1979 to the present.

C. Scope

The audit included such tests as verification of total reported receipts and expenditures and individual transactions; review of required supporting documentation and analysis of Committee debts and obligations; review of contribution and expenditure limitations; and such other audit procedures as deemed necessary under the circumstances.

II. Finding and Recommendation

A. Unspent Portion of Fund Payment

Section 9008(h) of Title 26 of the United States Code states, in part, that the Commission shall have the same authority to require repayments from the national committee of a major party as it has with respect to repayments from any eligible candidates under Section 9007(b).

In addition, Section 9008.10(e)(1) of Title 11 of the Code of Federal Regulations states that if any portion of the payment under 11 C.F.R. 9008.3 remains unspent after all convention expenses have been paid, that portion shall be returned to the Secretary of the Treasury.

Also, Section 9008.10(g)(2) of Title 11 of the Code of Federal Regulations states, in part, that the national committee shall repay to the Secretary within 90 days of the notice, the amount of the repayment.

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On January 23, 1981, the Commission approved the Audit staff's determination that the Committee's unspent portion of its entitlement as of November 20, 1980 was \$28,046.21 (surplus). As a result of audit work performed after the 30 day response period to the interim audit report, our review of the Committee's financial activity for the period November 21, 1980 through March 4, 1981 indicated that the unspent portion of its entitlement, as of March 4, 1981, is \$15,758.85. The Committee's financial position, as of March 4, 1981 is depicted below:

Arrangements Committee of the Republican National
Committee for the 1980 Republican National Convention
Financial Position as of March 4, 1981

Assets

Cash-in-bank	\$ 90,708.85	
Accounts Receivable	1,000.00	
Capital Assets	<u>750.00</u>	
Total Assets	<u>\$ 92,458.85</u>	<u>\$ 92,458.85</u>

Obligations

Accounts Payable for Qualified Convention Expenses	(\$ 18,200.00)	<u>1/</u>
Estimated Winding Down Costs <u>2/</u> 11/20/80 to July, 1981 (pro- jected termination date)		
Misc. Office Expense	(\$ 3,500.00)	
Printing & Distribution of the Convention Proceedings	<u>(55,000.00)</u>	
	<u>(\$ 58,500.00)</u>	
Total Obligations	<u>(\$ 76,700.00)</u>	<u>(\$ 76,700.00)</u>
Net Unspent Portion of Entitlement		<u>\$ 15,758.85</u>

1/ Not included in this amount is a \$67,594.55 bill the Committee received from a vendor. The Committee staff have stated that the Committee is not liable for this bill and no action will be taken concerning this bill.

2/ The estimates for expenses by the Committee were provided by Committee staff.

Recommendation

Based on a review of the Committee's financial position, it is the recommendation of the Audit staff that, absent the Committee's showing to the contrary, the Committee's unspent portion of the entitlement of \$15,758.85 3/ be repaid to the Treasury pursuant to 11 C.F.R. 9008.10(e)(1) within 90 days of the receipt of this report pursuant to 11 C.F.R. 9008.10(g)(2).

3/ The results of the audit of the Civic Host Committee did not impact upon the Committee's repayment amount. The Audit staff will review the Committee reports and/or records in order to establish the accuracy of the estimates in the above financial analysis.

FEC
DOCUMENT
SEPARATOR

