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FROM B. Holly Schadler **Date** July 26, 1995

Pages (Including Cover Sheet) 5 **Client Number** 04031-0010

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July 26, 1995

Secretary of the Commission
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: Draft Advisory Opinion 1995-22

Dear Secretary

This letter constitutes comments by the Democratic Congressional Campaign Committee to Proposed Advisory Opinion 1995-22 dated July 20, 1995.

The DCCC requested advice on the appropriate method of reporting certain payroll and vendor disbursements it pays on a regular basis. The Committee has suggested a reporting procedure that is straightforward, fully discloses the transactions involved and is simple to accomplish. The General Counsel has proposed in the draft Advisory Opinion alternative procedures and reporting methods to disclose these transactions that involve more accounting steps and are considerably more burdensome than those recommended by the DCCC.

The reporting would be more complicated and, by the General Counsel's own admission, the forms do not provide for disclosure of this type. See General Counsel's Draft page 7 ("Although the report forms do not provide a precise spot for the reporting of this transaction.") Most importantly, however, there is no benefit to these more complicated procedures because the net result of both reporting methods is the same. We have provided a chart (attached) that shows the steps required under each reporting procedure.

If the Commission chooses to adopt the General Counsel's proposed draft, we request additional clarification. The draft recommends a procedure for transferring the nonfederal share of a reimbursement out of the DCCC's allocation account to the nonfederal account. The General Counsel concedes that there is no appropriate or designated place for reporting this third transaction, but concludes that it should be reported on Schedule H4. The draft Advisory Opinion does not address, however, the

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Secretary of the Commission
Federal Election Commission
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procedures for transferring the *federal* share of a reimbursement from the allocation account to the federal account. If these transfers are not made, it would result in the accumulation of federal funds in the allocation account. The DCCC requests that some clarification be provided in the final draft regarding the appropriate method of transferring and reporting federal funds.

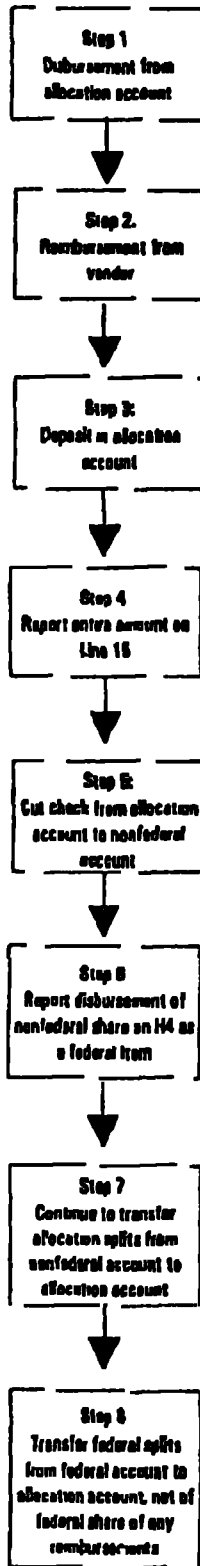
Sincerely,



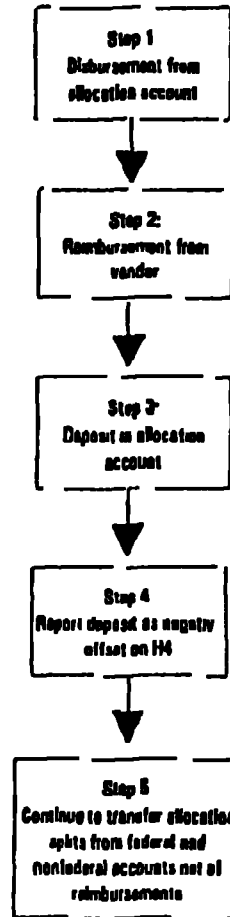
Robert F. Bauer
B. Holly Schadler
Counsel to DCCC

cc Office of the General Counsel

GC METHOD



DCCC METHOD



Results

- 1 Line 15, a federal receipt line, will always reflect a certain amount of nonfederal money**
- 2. The YTD figures on schedule H4 will not accurately reflect actual expenditure amounts, in fact, it will be further inflated by the nonfederal share of reimbursements being transferred from the allocation account to the nonfederal account.**
- 3 The true federal operating expenditures will be reflected on Line 37**

Results.

- 1. All federal receipt lines accurately reflect only federal money**
- 2. The YTD figures on schedule H4 accurately reflect true federal and nonfederal expenses as well as Line 37**