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AOR 2001-14

August 29, 2001

Federal Election Commission
Office of the General Counsel
999 E Street, NW
Washington, D.C. 20463

Re: Request for Advisory Opinion for Los Angeles County
Democratic Central Committee

Dear Madam or Sir:

This law firm is counsel to Los Angeles County Democratic Central Committee (County Central Committee), a local party committee authorized by the California Election Code as the official local party organ of the California Democratic Party for Los Angeles County. This letter seeks Commission advice as to how to allocate the salary, fringe benefit (health insurance premiums) and cellular telephone charges of an employee.

The County Central Committee has hired a full-time director of communications and development (Director) to augment its current staffing, which consists of one part-time administrator/office manager. The Director, under the supervision of the County Central Committee's officers, will be responsible for developing and managing the County Central Committee's relations with the media and for creating and implementing a fundraising program, including an institutional donor program which will target donors, such as corporations and labor organizations, which are ineligible to contribute to federal campaigns, but are eligible to make contributions under California state law. Although the County Central Committee anticipates that the actual duties of the Director will vary over time, it estimates that he will expend at least 75 percent of his time raising funds and the remaining up to 25 percent of his time in connection with media relations.

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The County Central Committee proposes to pay the salary and fringe benefits of the Director according to the following formula, which it has derived based on the allocation requirements of 11 C.F.R. Section 106.5 and the allocation



methods approved in Advisory Opinion Nos. 1992-2 and 1994-37. The County Central Committee shall pay the Director's salary on a semimonthly basis from the County Central Committee's federal account, reimbursing the federal account from the nonfederal account in the first two or three working days of the next month. See 11 C.F.R. Section 106.5(g) (2). The County Central Committee proposes to estimate the appropriate allocation of the Director's compensation based on the following formula:

1. percentage of hours worked during the month on nonfundraising matters x (base salary plus payroll taxes) x nonfederal ballot composition percentage = nonfederal portion of compensation for nonfundraising matters
2. percentage of hours worked during the month on nonfundraising matters x (base salary plus payroll taxes) x federal ballot composition percentage = federal portion of compensation for nonfundraising matters
3. percentage of hours worked during the month on each fundraising matter x (base salary plus payroll taxes) x estimated nonfederal percentage of funds received for each fundraising matter = nonfederal portion of compensation for fundraising matters
4. percentage of hours worked during the month on each fundraising matter x (base salary plus payroll taxes) x estimated federal percentage of funds received for each fundraising matter = federal portion of compensation for fundraising matters

Total compensation = 1 plus 2 plus 3 plus 4

Each month, the County Central Committee proposes to have the Director complete and turn in by the last day of the month a timesheet, a copy of which is attached, which will reflect the precise projects on which he worked during that month. Additional transfers will take place 60 days after the conclusion of each fundraising program or event to ensure that allocations match actual results of the fundraising program. See 11 C.F.R. Section 106.5(f) (2).

The County Central Committee proposes to pay for the Director's health insurance and cellular telephone monthly from the federal account, reimbursing that account from the nonfederal

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account based on the same estimated formula as is used to determine salary allocation. Again, additional transfers will take place 60 days after the conclusion of each fundraising program or event to ensure that allocations match actual results of the fundraising program. See 11 C.F.R. Section 106.5(f)(2).

Until such time as the Commission provides the County Central Committee with an advisory opinion approving of the method of allocating the salary, benefits and cellular telephone usage discussed above, the County Central Committee will assign the Director exclusively to fundraising duties, and will allocate his salary, health insurance premium cost and cellular telephone bill to various fundraising projects using a funds received method of allocation as discussed in Advisory Opinion No. 1992-2.

If you need further information or if I may be of additional assistance, please give me a call at the number above.

Very truly yours,



Laurence S. Zakson
of REICH, ADELL, CROST & CVITAN

LSZ/caw

cc: Eric C. Bauman, Chair
Kinde Durkee, Treasurer
Karen Wingard, Controller

PAYROLL ALLOCATION WORKSHEET

As a salaried employee, you are not compensated on an hourly basis. This record is maintained by your employer for the purpose of allocating your salary and fringe benefit payments in compliance with federal law. Because this document will become the basis of federal and state political report filings required by law and filed under penalty of perjury, accuracy of these records is imperative. Use additional pages if necessary

Month _____ Year _____

Total hours worked _____ Page ___ of ___ pages

Activity (Fundraising/Admin.)	Unique Identifier (if fundraising)	Total hours worked on this activity

Whenever the activity involves fundraising, there must be a unique identifier code entered in the second column. **DO NOT** combine two or more fundraising activities in a single entry.

Employee Signature