



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 26, 1979

MEMORANDUM

TO: FRED EILAND
PRESS OFFICE

THROUGH: BOB COSTA *RC*

FROM: JUDY HAWKINS

SUBJECT: PUBLIC ISSUANCE OF AUDIT REPORT -
REPUBLICAN PARTY OF FLORIDA -
FEDERAL CAMPAIGN ACCOUNT

Attached please find a copy of the final audit report of the Republican Party of Florida - Federal Campaign Account which was approved by the Commission on November 7, 1979.

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

Attachment as stated

cc: FEC Library
RAD
Public Record





FEDERAL ELECTION COMMISSION

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WASHINGTON, D.C. 20463

REPORT OF THE AUDIT DIVISION ON THE REPUBLICAN PARTY OF FLORIDA-FEDERAL CAMPAIGN ACCOUNT¹

I. Background

A. Overview

This report is based on an audit of the Republican Party of Florida-Federal Campaign Account ("the Committee"), undertaken by the Audit Division of the Federal Election Commission in accordance with the Commission's audit policy 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 438 (a) (8) of Title 2 of the United States Code which directs the Commission to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of the Act.

The Committee registered with the Federal Election Commission on August 27, 1976 as the federal campaign account of the Republican Party of Florida. The Committee maintains its headquarters in Tallahassee, Florida.

The audit covered the period from August 27, 1976 through December 31, 1976, the final coverage date of the termination report filed by the Committee ^{1/}. The Committee reported a beginning cash balance on August 27, 1976 of \$-0-, total receipts for the period of \$24,833.76, total expenditures for the period of \$24,833.76 and a closing cash balance on December 31, 1976 of \$-0-.

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

^{1/} The Committee re-registered with the Commission on September 18, 1978.



B. Key Personnel

The principal officers of the Committee during the period audited were Mr. Bill Taylor, Chairman, and Mr. Harry Schooley, Treasurer.

C. Scope

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

II. Description of Findings

A. Prohibited Contributions

Section 441b(a) of Title 2 of the United States Code states, in part, that it is unlawful for any corporation whatever, to make a contribution or expenditure in connection with any election to any Congressional office, or for any candidate, political committee, or other person to knowingly accept or receive any such contribution.

During the course of the audit, it was determined that the Committee received and accepted two (2) contributions, from business entities totaling \$35.00. Subsequent confirmation with the Secretary of State's office in Florida revealed that these business entities were incorporated at the time the contributions were made. The Committee officials were not aware of this situation but agreed to take the appropriate corrective action.

Recommendation

On May 10, 1979, the Committee officials submitted copies of cancelled checks used to refund the prohibited contributions, therefore, the Audit staff recommends no further action on this matter.

B. Allocation of Administrative Expenses

Section 434b(2) of Title 2 of the United States Code, states, in part, that each report shall disclose the full name and mailing address of each person who has made one or more contributions to or for such committee within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions.

Section 104.3(a)(1) and (2) of Title 11 of the Code of Federal Regulations states, in part, that each in-kind contribution shall be valued at the usual and normal charge on the date received and reported if in excess of \$100 on the appropriate schedule of receipts and expenditures, identified as to its nature and listed as an in-kind contribution.

Section 106.1(e) of Title 11 of the Code of Federal Regulations states, in part, that party committees which have established Federal Campaign committees pursuant to Section 102.6 shall allocate administrative expenses on a reasonable basis between their Federal and non-Federal accounts in proportion to the amount of funds expended on Federal and non-Federal elections, or on another reasonable basis.

During our review of the Committee's reports and records, we determined that the administrative costs were not allocated between the Federal and non-Federal accounts for the period the Committee was registered (8/27/76-12/31/76). Committee officials stated that these costs were paid entirely by the State Committee, a non-Federal committee.

Subsequent to the audit fieldwork the Committee determined that its allocable portion of the administrative expenses for the period 9/8-12/31/76 totaled \$1,412.21. Based on the documentation submitted by the Committee, the Audit staff has determined that \$1,412.21 in administrative expenses appears reasonable for the period the Committee was in existence.

On June 11, 1979, the Committee filed a report disclosing an in-kind contribution for \$1,412.21 from the Republican Party of Florida, the non-Federal Committee, stating that the contribution represented payment of the Committee's 1976 administrative expenses. In addition, on October 9, 1976, the Committee notified the Commission by letter that the non-Federal account accepted corporate contributions in 1976. Therefore, the Committee amended its reports to disclose \$1,412.21 as a debt owed to the non-Federal account, stating that a refund would be made when funds become available.

Recommendation

Based on the above stated actions by the Committee the Audit Division recommends no further action on this matter.

C. Preservation of Receipts

Section 432(d) of Title 2 of the United States Code states, in part, that it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100.00 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds \$100.00.

Additionally, Section 102.9(c)(4) of Title 11 of the Code of Federal Regulations states, in part, that instead of a receipted bill, the treasurer may keep the cancelled check showing payment of the bill; and the bill, invoice, or other contemporaneous memorandum of the transaction supplied to the committee by the payee.

Our review of the Committee's expenditure records disclosed eight (8) expenditures, totaling \$5,055.33, that were not supported by receipted bills, invoices, or other contemporaneous memoranda. This represents 57.1% of the number and 20.4% of the dollar value of itemized expenditures. Committee officials agreed to obtain and forward the required documentation.

Recommendation

On May 10, 1979, the Committee officials submitted documentation for two (2) expenditures totaling \$3,000 and evidence of their efforts to obtain the documentation for the remaining six (6) expenditures totaling \$2,055.33. Therefore, we recommend no further action on this matter.

107-15157

