



FEDERAL ELECTION COMMISSION

1225 K STREET N.W.  
WASHINGTON, D.C. 20463

January 5, 1979

MEMORANDUM

TO: SHARON SNYDER  
PRESS OFFICE

THROUGH: BOB COSTA *AK*

FROM: JUDY HAWKINS *JH*

SUBJECT: PUBLIC ISSUANCE OF AUDIT REPORT -  
ARKANSAS REPUBLICAN PARTY FEDERAL  
CAMPAIGN COMMITTEE

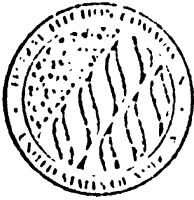
Attached please find a copy of the final audit report of the Arkansas Republican Party Federal Campaign Committee which was approved by the Commission on December 20, 1978.

All informational copies of this report have been received by all parties involved and this report may be released to the public as of today, January 5, 1979.

Attachment as stated

cc: Library  
RAD  
Public Record





## FEDERAL ELECTION COMMISSION

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WASHINGTON, D.C. 20463

### REPORT OF THE AUDIT DIVISION ON THE ARKANSAS REPUBLICAN PARTY FEDERAL CAMPAIGN COMMITTEE

#### I. Background

##### A. Overview

This report is based on an audit of the Arkansas Republican Party Federal Campaign Committee ("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 March 15, 1976 as the State Federal Campaign Committee of the Arkansas Republican Party. The Committee maintains its headquarters in North Little Rock, Arkansas.

The audit covered the period from January 1, 1976 through March 31, 1978, <sup>1/</sup> the final coverage date of the most recent report filed by the Committee at the time of the audit. For the period March 15, 1976, through November 22, 1976, the Committee reported beginning cash of \$ -0-, total receipts and expenditures of \$13,245, and closing cash of \$-0-. For the period January 1, 1978, through March 31, 1978, the Committee reported beginning cash of \$-0-, total receipts of \$3,750.00, total expenditures of \$3,261.15, and a closing cash balance on March 31, 1978 of \$488.85.

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<sup>1/</sup> The Committee terminated its activities on November 22, 1976, and registered with the Federal Election Commission again on January 16, 1978.



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.

B. Key Personnel

The principal officers of the Committee during the period audited were Mr. A. Lynn Lowe, Chairman, through November 19, 1976, Mrs. Ada Mills, Chairperson from January 16, 1976 through the close of the period audited, and Dr. Robert K. Luther, Treasurer.

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; and such other audit procedures as deemed necessary under the circumstances.

II. Auditor's Statement

It is the opinion of the Audit staff, based upon examination of the reports and statements filed and the records presented, that, except for the deficiencies noted below, the reports and statements of the Arkansas Republican Party Federal Campaign Committee fairly present the financial activities of the Committee for the period covered by the audit. Further, except as noted below, no material problems in complying with the Federal Election Campaign Act were discovered during the course of the audit.

A. Administrative Expense Allocation

Part 106.1(e) of Title 11, Chapter 1 of the Code of Federal Regulations states, in part, that party committees which have established Federal campaign committees pursuant to Part 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 records and reports, we discovered that no administrative costs were allocated between the Federal and non-Federal accounts. The Committee officials stated that these costs were borne entirely by the state campaign committee. However, they agreed to allocate the administrative expenses between the Federal and non-Federal accounts in proportion to the total amount of expenditures made by the Federal and non-Federal committees.

Recommendation

The Committee officials filed an amended report on September 15, 1978 disclosing the administrative expense as a debt owed to the Arkansas Republican Party. Therefore, the Audit staff recommends no further action be taken on this matter.

**B. Disclosure of Individual Contributions**

Section 434(b)(2) of Title 2 of the United States Code requires a political committee to disclose in its reports of receipts and expenditures the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to such committee within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contribution.

Our review of the records disclosed that the Committee did not itemize six (6) contributions, each in excess of \$100 and totaling \$1,720.00. This represents all of the Committee's itemizable individual contributions. Each of the contributions were, however, disclosed as unitemized receipts.

Recommendation

The Committee officials filed an amended report on September 15, 1978 itemizing the contributions. Therefore, the Audit staff recommends no further action be taken on this matter.

C. Recordkeeping of Contributions

Section 432(c)(2) of Title 2 of the United States Code requires the treasurer of a political committee to keep a detailed and exact account of the identification of every person making a contribution in excess of \$50, together with the date and amount thereof and, if a person's contributions aggregate more than \$100, the account shall include the occupation and principal place of business (if any).

During the course of the audit, it was determined that bank deposit slips with contributors' names contained thereon were the only contribution documentation retained by the Committee. Therefore, the Committee was unable to provide adequate records for 19 contributions, each in excess of \$50, totaling \$3,020.00. Six (6) of the contributions exceeded \$100, and totaled \$1,720.00. These contributions represented all of the contributions requiring such record retention.

The Committee officials were informed of the record-keeping requirements set forth in the Act, and were provided information necessary to establish a recordkeeping system that would assist the Committee in complying with the appropriate provisions of the Act.

Recommendation

Since the Audit staff received copies of the contributor information from the Committee on August 21, 1978, no further action is recommended on this matter.

D. Other Matter

Presented below is another matter noted during the audit for which the Audit staff feels no action is warranted. The Committee officials have been advised of the matter and informed of the related requirements of the Act.

The Committee had no activity from July 1, 1976 through August 31, 1976. As a result, the disclosure report for the third quarter of 1976 was inadvertently dated September 1, 1976 through September 30, 1976 rather than the correct coverage date of July 1, 1976 through September 30, 1976.

