



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

January 18, 2008

Ed Simpson, Treasurer
Branch Bank & Trust Political Action
Committee
150 S. Stratford Road, Suite 401
Winston Salem, NC 27104

**Response Due Date:
February 19, 2008**

Identification Number: C00075291

Reference: Year End Report (12/1/07-12/31/07)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 2 items:

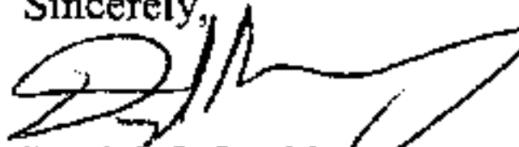
1. Please amend your report by providing the purpose for each disbursement itemized on Schedule B supporting Line(s) 21(b). 11 CFR §104.3(b)(3)
2. Schedule A supporting Line 11(a)(i) of your report discloses contributions received through what appears to be a payroll deduction plan. Please amend your report to disclose the frequency of the deduction and the amount deducted per pay period. 11 CFR §104.8(b) Please refer to the enclosed sample of properly reported payroll deductions.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

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Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1141.

Sincerely,



Daniel T. Buckley
Senior Campaign Finance Analyst
Reports Analysis Division

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SAMPLE

Completing FEC Form 3X

Payroll Deductions

| SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS | | FOR LINE NUMBER: (check only one) | PAGE OF |
|--|--|--|---|
| Use separate schedule(s) for each category of the Detailed Summary Page | | <input checked="" type="checkbox"/> 11a <input type="checkbox"/> 13 | <input type="checkbox"/> 11b <input type="checkbox"/> 14 |
| Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee. | | <input type="checkbox"/> 11c <input type="checkbox"/> 15 | <input type="checkbox"/> 12 <input type="checkbox"/> 16 |
| NAME OF COMMITTEE (in full) Critical Reason Inc. PAC | | | |
| Full Name (Last, First, Middle Initial) A. Kent Immanuel | | Date of Receipt payroll deduction* | |
| Mailing Address 3 Critiques Ave. | | <input type="text"/> / <input type="text"/> / <input type="text"/> | |
| City Königsburg | | State VA | |
| Zip Code 23033 | | Amount of Each Receipt this Period 90.00 | |
| FEC ID number of contributing federal political committee C | | (\$15.00 biweekly)** | |
| Name of Employer Critical Reason Inc. | | Occupation Brand Manager | |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) | | Aggregate Year-to-Date 285.00 | |

*Adding Extra Text/Explanation: When using FECFile electronic filing software, this information can be entered using the "memo text" window. To make a memo text entry, select the "view" menu on the FECFile toolbar. Select "All Transactions." Single click (highlight) the transaction to which the memo text will be attached. Then select the "Edit" menu on the toolbar and select "memo text."

**When using FECFile electronic filing software, enter this information in the "description" field.

If the *in-kind* contribution must be itemized on Schedule A, then it must also be itemized on a Schedule B for operating expenditures. See the illustration on page 56.

Appreciated Goods

When a committee receives an *in-kind* contribution whose value may appreciate over time, such as stock or artwork, special reporting rules apply:

- Itemize the initial gift, if necessary, as a *memo* entry on Schedule A (see "When to Itemize Receipts," on page 53). Under "Amount," report the fair market value of the contribution on the date the item was received. Do not include that amount in the total for Line 11(a)(i) on the Detailed Summary Page.
- Once the item is sold, report the sale price as a *contribution* on Line 11(a)(i) if the purchaser is known or as an "other receipt" on Line 15 if the purchaser is unknown.

Itemize the transaction on Schedule A if necessary. 104.13(b). See also AO 1989-6.

By June 30 (the closing date for the July quarterly report), 13 pay periods have passed, and the manager's aggregate contributions are \$195—still below the \$200 itemization threshold. The manager's second-quarter contributions again are included in "unitemized contributions" in the July report.

By September 30 (the closing date for the October quarterly report), 19 pay periods have passed, and the manager's contributions reach \$285. Now the committee itemizes the total contributions received from the manager during the third quarter (\$90), providing the year-to-date total in the appropriate space. (See the illustration above.)

In-Kind Contributions

When determining whether to itemize an *in-kind* contribution received, follow the same guidelines listed above under "When to Itemize Receipts." See page 9 for information on how to determine the dollar value of an *in-kind* contribution.

In addition, add the value of the *in-kind* contribution to the operating expenditures total on Line 21(b) (in order to avoid inflating the cash-on-hand amount). 104.13(a)(2).

Joint Contributions

A *joint contribution* is made by a single check that bears two signatures. A check with one signature may also be a *joint contribution* if an accompanying form or letter, signed by both contributors, instructs the committee to treat it as a *joint contribution*. (A check drawn on a joint bank account but signed by only one person does not qualify as a *joint contribution*. Attribute the full amount of such a check only to the person who signed it. Alternatively, a reattribution may be sought using the procedures described below.)

For the purposes of itemization, report a *joint contribution* as though the joint contributors had given separately.

A *joint contribution* is itemized in items A and B in the illustration on page 57. In this case, the committee received a \$1,000 check from a married couple, signed by both spouses. Because there were no

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