



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

R. James Huber, Treasurer
National Association of Chain Drug
Stores, Inc. Political Action Committee
P.O. Box 1417-D49
Alexandria, VA 22313

JUN 27 2001

Identification Number: C00022368

Reference: Amended Year End Report (11/28/00-12/31/00), received 4/2/01

Dear Mr. Huber:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule B supporting Line 23 of your report discloses a contribution(s) to a candidate(s) for the General election; however, the funds were disbursed after the election date(s) (pertinent portion(s) attached). Please note that contributions may not be designated for an election which has already occurred unless the funds are to be used to reduce a candidate committee's debts incurred during that election campaign.

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If you have made an impermissible contribution, you should notify the recipient and request a refund and/or notify the recipient in writing of your redesignation of the contribution. In the best interest of your committee, all refunds and redesignations should be made within sixty days of the treasurer's receipt of the contribution(s).

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent to the recipient committee(s). In addition, any refunds should be disclosed

on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR §110.1(b)

Although the Commission may take further legal action regarding this impermissible activity, your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

-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 correct amount deducted per pay period. 11 CFR §104.8(b) Please refer to the enclosed sample of properly reported payroll deductions.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

Andrea S. Wilkens

Andrea S. Wilkens
Senior Reports Analyst
Reports Analysis Division

SCHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER
23

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.

NAME OF COMMITTEE (in Full)
National Association of Chain Drug Stores Political Action Committee

Full Name, Mailing Address, and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Nelson For Senate 110-B East Broad St Falls Church VA 22048	Bill Nelson, U.S. SENATE FL (- FL -) Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify): 2000	12/12/2000	1000.00
First State PAC 729 15th Street, NW Suite 300 Washington DC 20005	Tom Carper, U.S. SENATE DE (- DE -) Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify): 2000	12/12/2000	1000.00
Hagel For Senate P.O. Box 241497 Omaha NE 68124	Chuck Hagel, U.S. SENATE NE (- NE -) Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 2000	12/12/2000	1000.00
Friends Of Max Baucus 227 Massachusetts Ave NE, Ste 101 Washington DC 20002	Max Baucus, U.S. SENATE MT (Senate - MT -) Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 2000	12/12/2000	1000.00

General election: 11/7/00

SUBTOTALS of Disbursements This Page (Optional)

TOTALS This Period (last page this line number only)

4000.00

PAYROLL DEDUCTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Deductive Inventory Page	PAGE	OF
Contributions from Individuals				FOR LINE NUMBER		
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.				11(a)(1)		
NAME OF COMMITTEE (in Full)						
National Organization PAC 00000001						
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Date (month, day, year)		Amount of Each Receipt (in Period)
Arne Sullivan 21 18th Street City, State ZIP		National Organization, Inc.		payroll deduction		\$80.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation Branch Manager		Aggregate Year-to-Date		(\$18 biweekly)
B. Full Name, Mailing Address and ZIP Code		Name of Employer		Date (month, day, year)		Amount of Each Receipt (in Period)
Rodney Jones 881 Hainsbury Road City, State ZIP		National Organization, Inc.		payroll deduction		\$120.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation Vice President		Aggregate Year-to-Date		(\$90 biweekly)

Itemize payroll deductions only after they have exceeded \$200 per calendar year from an individual.

Payroll Deductions

Once an individual's deductions aggregate over \$200 in a calendar year, report the total amount deducted from the donor's paychecks during the reporting period on Schedule A. In parentheses indicate the amount that was deducted each pay period. Instead of stating a specific date of receipt, write "payroll deduction" under "Date." The other itemized information, including the year-to-date total, must be completed for each donor. 104.6(b).

EXAMPLE: During an election year, a corporate manager authorizes her employer to deduct \$15 per pay period (each pay period is two weeks) for the company's SSF. The SSF, which files FEC reports on a quarterly schedule, includes the manager's first-quarter contributions (\$90 for six pay periods) as "unitemized contributions" on Line 11(a)(1) in the April quarterly report.

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 Item A in the illustration above.)

IN-KIND CONTRIBUTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Deductive Inventory Page	PAGE	OF
Contributions from Individuals				FOR LINE NUMBER		
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.				11(a)(1)		
NAME OF COMMITTEE (in Full)						
National Organization PAC 00000001						
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Date (month, day, year)		Amount of Each Receipt (in Period)
Martin L. Kress 4 River Road City, State ZIP		National Organization, Inc.		8/18/94		\$5,998.00 (IN-KIND) (RAFFLE PRIZE)
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation Chairman		Aggregate Year-to-Date		\$5,998.00

SCHEDULE B		ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Deductive Inventory Page	PAGE	OF
Operating Expenditures/Other Related				FOR LINE NUMBER		
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.				81(2)		
NAME OF COMMITTEE (in Full)						
National Organization PAC 00000001						
A. Full Name, Mailing Address and ZIP Code		Purpose of Disbursement		Date (month, day, year)		Amount of Each Disbursement (in Period)
Martin L. Kress 4 River Road City, State ZIP		raffle prize		8/18/94		\$5,998.00 (IN-KIND CONTRIBUTION)
		Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):				

Itemize in-kind contributions on both Schedules A and B so as not to inflate the cash-on-hand amount.

In-Kind Contributions

When determining whether to itemize an in-kind contribution, follow the same guidelines listed above under "When to Itemize Receipts." See page 8 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).

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 at left.

