FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

OCT 10 1997

Natalie Bedont, Treasurer
Principal Mutual Life Insurance Company-
Federal Political Action Committee (PRINPAC)
711 High Street/Tax Dept.
Des Moines, IA 50392

Identification Number: C00128918

Reference: Mid-Year Report (1/1/97-6/30/97)

Dear Ms. Bedont:

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 A supporting Line 11(a)(i) discloses contributions received through a payroll deduction plan. Generally, a committee's report must identify each contribution from an individual which in the aggregate exceeds $200 during the calendar year. (2 U.S.C. §434(b)) For your information, instead of separate itemization, a committee using a payroll deduction plan may disclose the aggregate amount of contributions received from the contributor through the payroll deduction plan during the reporting period; the identification of the individual where the contribution exceeds $200 in the aggregate during the calendar year; and a statement of the amount deducted per pay period. 11 CFR §104.8(b)

-For future reporting, please be advised that only contributions to federal candidates and political committees should be itemized on a separate Schedule B supporting Line 23 of the Detailed Summary Page. Contributions to non-federal candidates and committees should be itemized on Schedule B supporting Line 29.

Any amendment or clarification should be filed with the Federal Election Commission. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,

Neil Evans
Reports Analyst
Reports Analysis Division

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PAYROLL DEDUCTIONS

SCHEDULE A — ITEMIZED RECEIPTS — PAGE OF

Contributions from Individuals

FOR LINE NUMBER (11(a)(i))

NAME OF COMMITTEE (in Full): National Organization PAC 00000001

Full Name, Mailing Address and ZIP Code	Name of Employer	Date (Month Day, Year)	Amount of Each Receipt this Period
Anne Sullivan 21 18th Street City, State ZIP	National Organization, Inc. Occupation: Branch Manager	payroll deductions	$78.00 ($18 biweekly)
Aggregate Year-to-Date > $ 228.00			
Rodney Jones 561 Hanbury Road City, State ZIP	National Organization, Inc. Occupation: Vice President	payroll deduction	$180.00 ($90 biweekly)
Aggregate Year-to-Date > $ 360.00			

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

IN-KIND CONTRIBUTIONS

SCHEDULE A — ITEMIZED RECEIPTS — PAGE OF

Contributions from Individuals

FOR LINE NUMBER 11(a)(i)

NAME OF COMMITTEE in Full: National Organization PAC 00000001

Full Name, Mailing Address and ZIP Code	Name of Employer	Date (Month Day, Year)	Amount of Each Receipt this Period
Marvin L. Kress 4 River Road City, State ZIP	National Organization, Inc. Occupation: Chairman	8/19/92	$3,999.00 (IN-KIND) (RAFFLE PRIZE)
Aggregate Year-to-Date > $ 3,999.00			

SCHEDULE B — ITEMIZED DISBURSEMENTS — PAGE OF

Operating Expenditures/Other Federal

FOR LINE NUMBER 21(b)

NAME OF COMMITTEE in Full: National Organization PAC 00000001

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (Month Day, Year)	Amount of Each Disbursement This Period
Martin L. Kress 4 River Road City, State ZIP	raffle prize	8/19/92 (IN-KIND CONTRIBUTION)	$3,999.00

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

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. 104.8(b).

EXAMPLE: During an election year, a corporate manager authorizes her employer to deduct $12 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 contributions as "unitemized contributions" in its April and July quarterly reports. By June 30, the closing date for the July report, the manager's aggregate contributions are $195 — still below the $200 itemization threshold. By September 30 — the closing date for the October quarterly report — the manager's contributions reach $228. Therefore, the committee itemizes the total contributions received from the manager during the third quarter ($120), providing the year-to-date total in the appropriate space. (See item A in the illustration above.)

In-Kind Contributions

When determining whether to itemize an *in-kind contribution*, follow the same guidelines listed above under "When to Itemize Receipts." See Chapter 2 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 right.

Appreciated Goods

When a committee receives an in-kind contribution whose value may