



FEDERAL ELECTION COMMISSION
WASHINGTON, D. C. 20463

RQ-2

SEP 17 1997

Joe J. Lozano, Treasurer
ZACOPAC
527 Logwood
San Antonio, TX 78221

Identification Number: C00048165

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

Dear Mr. Lozano:

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)(1) of your report discloses contributions received through what appears to be a payroll deduction plan. Please amend your report to disclose the amount deducted for the period and the frequency of deduction. 11 CFR §104.8(b) Please refer to the enclosed sample of properly reported payroll deductions.

-Please amend your report by providing the election designation for each disbursement itemized on Schedule B supporting Line 23.

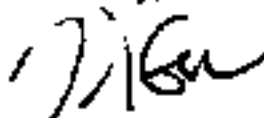
-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Contributions to federal candidates should be properly disclosed on a separate Schedule B, supporting Line 23 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

-Be advised that you have used an incorrect committee identification number on the Summary Page of your report(s). Please file all future reports and correspondence using your correct identification number, C00048165, to avoid potential errors in entering your reports onto the public record.

97-03-240-0363

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. My local number is (202) 219-3580.

Sincerely,



Neil Evans
Reports Analyst
Reports Analysis Division

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97.03.240.0364

PAYROLL DEDUCTIONS

SCHEDULE A ITEMIZED RECEIPTS		USE THESE SPACES TO REPORT OTHER CONTRIBUTIONS FROM INDIVIDUALS	PAGE	OF
Contributions From Individuals			11	(6X10)
<small>Any contribution cannot have been reported and itemized by the donor or used by any donor for the purpose of avoiding contribution or for contribution purposes, except when using the name and address of an address designated in stated contributions from such addresses.</small>				
NAME OF CONTRIBUTOR OR PAID				
National Organization PAC 00000001				
A. For each, listing address and ZIP Code				
Name of Donor Anne Sullivan 21 15th Street City, State ZIP	Name of Employer National Organization, Inc. Branch Manager	Date Recd. 6/1/88	Amount of Cash Received for Period \$72.00	Amount of Cash Received for Period (\$12 biweekly)
B. For each, listing address and ZIP Code				
Name of Donor Rodney Jones 681 Hainsbury Road City, State ZIP	Name of Employer National Organization, Inc. Vice President	Date Recd. 6/1/88	Amount of Cash Received for Period \$120.00	Amount of Cash Received for Period (\$60 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. 104.8(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 \$120 — 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

IN-KIND CONTRIBUTIONS

SCHEDULE A ITEMIZED RECEIPTS		USE THESE SPACES TO REPORT OTHER CONTRIBUTIONS FROM INDIVIDUALS	PAGE	OF
Contributions From Individuals			11	(6X10)
<small>Any contribution cannot have been reported and itemized by the donor or used by any donor for the purpose of avoiding contribution or for contribution purposes, except when using the name and address of an address designated in stated contributions from such addresses.</small>				
NAME OF CONTRIBUTOR OR PAID				
National Organization PAC 00000001				
A. For each, listing address and ZIP Code				
Name of Donor Martin L. Evans 4 River Road City, State ZIP	Name of Employer National Organization, Inc. CHAIRMAN	Date Recd. 6/1/88	Amount of Cash Received for Period \$5,000.00	Amount of Cash Received for Period (\$2,500.00 TRIP)

SCHEDULE B ITEMIZED EXPENDITURES		USE THESE SPACES TO REPORT OTHER CONTRIBUTIONS FROM INDIVIDUALS	PAGE	OF
Operating Expenditures/Other Federal			11	(6X10)
<small>Any expenditure cannot have been reported and itemized by the donor or used by any donor for the purpose of avoiding contribution or for contribution purposes, except when using the name and address of an address designated in stated contributions from such addresses.</small>				
NAME OF CONTRIBUTOR OR PAID				
National Organization PAC 00000001				
A. For each, listing address and ZIP Code				
Name of Donor Martin L. Evans 4 River Road City, State ZIP	Name of Recipient NCFCA Press	Date Recd. 6/1/88	Amount of Cash Received for Period \$5,000.00	Amount of Cash Received for Period (\$2,500.00 CONTRIBUTION)

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

97.03.240.0366