



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

MAR 22 1996

Lee Wermuth, Treasurer
Hershey Foods Corporation
Citizenship Fund (FKA Hershey EPAC)
100 Crystal A Drive
Hershey, PA 17033

Identification Number: C00200139

Reference: Mid-Year (1/1/95-6/30/95) and Year End (7/1/95-
12/31/95) Reports

Dear Mr. Wermuth:

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

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,

Edward D. Ryan
Reports Analyst
Reports Analysis Division

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PAYROLL DEDUCTIONS

SCHEDULE A ITEMIZED RECEIPTS		ITEMIZED PAYROLL DEDUCTIONS	
Contributions from Individuals Any information copied from such Receipts 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.		Item received/receipted for each manager of the Related Business Page FORM LINE NUMBER 11(a)(ii)	
<input checked="" type="checkbox"/> Item of contribution (in PDC) National Organization PAC 0000000001			
A. Full Name, Mailing Address and ZIP Code Anne Sullivan 811 16th Street City, State ZIP <input type="checkbox"/> Item of contribution <input type="checkbox"/> Payroll <input type="checkbox"/> General <input type="checkbox"/> Other amount		Name of Employer National Organization, Inc. <input type="checkbox"/> Item of contribution Corporate Broad Manager Aggregate Year-to-Date > 1	Date received, day, year payroll deduction \$90.00 Amount of Date Received Payroll Period 0818 biweekly 265.00
B. Full Name, Mailing Address and ZIP Code Rodney Jones 651 Mainbury Road City, State ZIP <input type="checkbox"/> Item of contribution <input type="checkbox"/> Payroll <input type="checkbox"/> General <input type="checkbox"/> Other amount		Name of Employer National Organization, Inc. <input type="checkbox"/> Item of contribution Corporate Vice President Aggregate Year-to-Date > 5	Date received, day, year payroll deduction \$180.00 Amount of Date Received Payroll Period 0820 biweekly 360.00

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

IN-KIND CONTRIBUTIONS

SCHEDULE A ITEMIZED RECEIPTS		ITEMIZED PAYROLL DEDUCTIONS	
Contributions from Individuals Any information copied from such Receipts 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.		Item received/receipted for each manager of the Related Business Page FORM LINE NUMBER 11(a)(ii)	
<input checked="" type="checkbox"/> Item of contribution (in PDC) National Organization PAC 0000000001			
A. Full Name, Mailing Address and ZIP Code Martin L. Kress 4 River Road City, State ZIP <input type="checkbox"/> Item of contribution <input type="checkbox"/> Payroll <input type="checkbox"/> General <input type="checkbox"/> Other amount		Name of Employer National Organization, Inc. <input type="checkbox"/> Item of contribution Corporate Chairman Aggregate Year-to-Date > 1	Date received, day, year \$10,000.00 (CH-XXXXXX) GRAPPLER PRICES 3,000.00

SCHEDULE B ITEMIZED DISBURSEMENTS		ITEMIZED IN-KIND CONTRIBUTIONS	
Operating Expenditures/Other Federal Any information copied from such Receipts 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.		Item received/receipted for each manager of the Related Business Page FORM LINE NUMBER 21(b)	
<input checked="" type="checkbox"/> Item of contribution (in PDC) National Organization PAC 0000000001			
A. Full Name, Mailing Address and ZIP Code Martin L. Kress 4 River Road City, State ZIP <input type="checkbox"/> Item of contribution <input type="checkbox"/> Payroll <input type="checkbox"/> General <input type="checkbox"/> Other amount		Name of Disbursement rental price <input type="checkbox"/> Item of contribution Corporate Other business Date received, day, year 5/19/94 (CH-XXXXXX) CONTRIBUTION	Amount of Date Received Disbursement Period \$3,000.00

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. 104.18(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)(ii) 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

When determining whether to itemize an in-kind contribution, follow the same guidelines listed above under "When to Itemize Receipts." See page 6 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). 104.18(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.