



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Stephen E. O'Day, Treasurer
Smith, Gambrell & Russell Political Action
Committee

AUG 19 1998

Trust-Federal Promenade II
1230 Peachtree Street, NE, Suite 3100
Atlanta, GA 30309

Identification Number: C00187112

Reference: Year End Report (7/1/97-12/31/97)

Dear Mr. O'Day:

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:

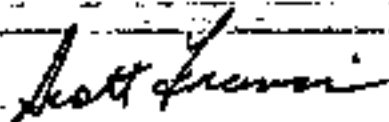
-The totals listed on Lines 11(a)(i) and 11(a)(ii), Column B of the Detailed Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. When an individual's aggregate exceeds the \$200 threshold, the amount should not be deducted from the Column B figure for Line 11(a)(ii). Please amend your report and any subsequent reports that may be affected by this correction.

-Schedule A supporting Line 11(a)(j) of your report discloses contributions received through what appears to be a payroll deduction plan. Please amend your report to disclose the total amount by each individual for the reporting 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. My local number is (202) 694-1130.

Sincerely,



Scott Francis
Reports Analyst
Reports Analysis Division

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PAYROLL DEDUCTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate schedule if for other category of the Campaign Summary Page	PAGE	OF
Contributions from Individuals				FOR LINE NUMBER 11(a)(1)		
Any recipient copied from last year's Records and Statements may not be used for any purpose for the purpose of avoiding contributions or for consolidated purposes other than using the name and address of any special committee to avoid contributions from such committee.						
NAME OF COMMITTEE OR FUND National Organization PAC				000000001		
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Date (month day year)	Amount of Cash Received This Period	
Anne Sullivan 21 18th Street City, State ZIP		National Organization, Inc.		payroll deduction	\$72.00	
Receipt For		Occupation		Amount of Cash Received This Period		
Over monthly		Branch Manager		Aggregate Year-to-Date >	(\$12 biweekly)	
328.00						
B. Full Name, Mailing Address and ZIP Code		Name of Employer		Date (month day year)	Amount of Cash Received This Period	
Rodney Jones 661 Hainsbury Road City, State ZIP		National Organization, Inc.		payroll deduction	\$120.00	
Receipt For		Occupation		Amount of Cash Received This Period		
Over monthly		Vice President		Aggregate Year-to-Date >	(\$20 biweekly)	
380.00						

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

IN-KIND CONTRIBUTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate schedule if for other category of the Campaign Summary Page	PAGE	OF
Contributions from Individuals				FOR LINE NUMBER 11(a)(1)		
Any recipient copied from last year's Records and Statements may not be used for any purpose for the purpose of avoiding contributions or for consolidated purposes other than using the name and address of any special committee to avoid contributions from such committee.						
NAME OF COMMITTEE OR FUND National Organization PAC				000000001		
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Date (month day year)	Amount of Cash Received This Period	
Martin L. Kress 4 River Road City, State ZIP		National Organization, Inc.		8/19/88	\$3,995.00 (IN-KIND) (RAFFLE PRIZES)	
Receipt For		Occupation		Amount of Cash Received This Period		
Over monthly		CHAIRMAN		Aggregate Year-to-Date >	3,995.00	

SCHEDULE B		ITEMIZED DISBURSEMENTS		Use separate schedule if for other category of the Campaign Summary Page	PAGE	OF
Operating Expenditures/Other Federal				FOR LINE NUMBER 21(b)		
Any recipient copied from last year's Records and Statements may not be used for any purpose for the purpose of avoiding contributions or for consolidated purposes other than using the name and address of any special committee to avoid contributions from such committee.						
NAME OF COMMITTEE OR FUND National Organization PAC				000000001		
A. Full Name, Mailing Address and ZIP Code		Name of Recipient		Date (month day year)	Amount of Cash Disbursed This Period	
Martin L. Kress 4 River Road City, State ZIP		raffle prize		8/19/88	\$3,995.00 (IN-KIND CONTRIBUTION)	
Disbursed to		Purpose		Amount of Cash Disbursed This Period		
Over monthly		RAFFLE PRIZES		3,995.00		

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

