



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

NOV 19 1997

Gerald L. Zuehlke, Treasurer
Potlatch Employees Political Fund
1 Maritime Plaza
Clay & Front Streets
San Francisco, CA 94111

Identification Number: C00041608

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

Dear Mr. Zuehlke:

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 of your report (pertinent portion(s) attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. 2 U.S.C. §441a(a) precludes a multicandidate committee and its affiliates from making a contribution to a candidate for federal office in excess of \$5,000 per election.

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 excessive contribution, you should notify the recipient and request a refund of the amount in excess of \$5,000 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 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)

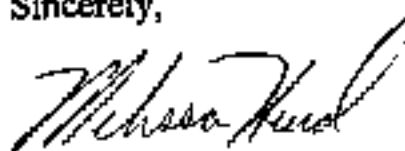
Although the Commission may take further legal action regarding the excessive contribution(s), your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

-Line 11(a)(i) of the Detailed Summary Page of your report discloses a total of \$4,404.06 in itemized contributions from individuals. The sum of the entries itemized on Schedule A, however, indicates the total to be \$734.01. Please amend your report to clarify the discrepancy.

-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 total amount deducted within 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) 219-3580.

Sincerely,



Melissa Hurd
Reports Analyst
Reports Analysis Division

SCHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedule(s)
for each category of the
Detailed Summary PagePAGE 1 OF 1
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)

Potlatch Employees' Political Fund

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Murkowski '98 2300 Clarendon, Suite 1010 Arlington VA 22201	Francis Murkowski, Senate-R, Alaska Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	1/16/97	\$1,000.00
B. Full Name, Mailing Address and ZIP Code Gordon Smith for U.S. Senate Committee PO Box 2163 Lake Oswego OR 97035	Purpose of Disbursement Gordon Smith, Senate-R, Oregon Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) election debt	1/16/97	\$2,000.00
C. Full Name, Mailing Address and ZIP Code Asa Hutchinson for Congress PO Box 2222 Fort Smith AR 72902	Purpose of Disbursement Asa Hutchinson, AR, Congress, R, 3rd dist. Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) reception	2/20/97	\$1,000.00
D. Full Name, Mailing Address and ZIP Code Craig for U.S. Senate PO Box 2754 Boise ID 83701	Purpose of Disbursement Larry Craig, Senate-R, Idaho Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) election debt	3/11/97	\$5,000.00
E. Full Name, Mailing Address and ZIP Code Kempthorne for Senate '98 425 Second Street NE Washington DC 20002	Purpose of Disbursement Dirk Kempthorne, Senate-R, Idaho Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	3/20/97	\$1,000.00
F. Full Name, Mailing Address and ZIP Code Jim Ramstad Volunteer Committee 3100 Penn Ave So. Bloomington MN 55431	Purpose of Disbursement Jim Ramstad, MN, R, Congress, 3rd Dist. Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/23/97	\$500.00
G. Full Name, Mailing Address and ZIP Code Chenoweth for Congress PO Box 897 Boise ID 83701	Purpose of Disbursement Helen Chenoweth, ID Congress, R, 3rd dist. Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/6/97	\$1,000.00
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

\$11,500.00

TOTAL This Period (last page this line number only)

\$11,500.00

SCHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedule(s)
for each category of the
Detailed Summary PagePAGE 1 OF 1
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)

Potlatch Employees' Political Fund

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Friends of Doug Bosco 1420 Third Street, Suite 1 Napa, CA 94559	Doug Bosco, Congress, 1st Dist., CA, \$500 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4-28-94	500.00
B. Full Name, Mailing Address and ZIP Code Committee to reelect Tom Foley 555 New Jersey Avenue, N.W. Suite 201 Washington, DC 20001	Tom Foley, Congress, 5th Dist., WA., \$1000 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4-28-94	1,000.00
C. Full Name, Mailing Address and ZIP Code Friends of Conrad Burns American Forest & Paper Assn. 1111 19th St., N.W., Ste. 800 Washington, DC 20036	Conrad Burns, Senate, MT, \$1000 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4-28-94	1,000.00
D. Full Name, Mailing Address and ZIP Code Craig for U.S. Senate Committee P.O. Box 2754 Boise, ID 83701	Larry Craig, Senate, ID, \$2000 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4-28-94	2,000.00
E. Full Name, Mailing Address and ZIP Code Hutchison for Congress Committee P.O. Box 933 Bentonville, AR 72712	Tim Hutchison, Congress, 3rd Dist., AR, \$500 Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	5-18-94	500.00
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

5,000.00

TOTAL This Period (last page this line number only)

5,000.00

PAYROLL DEDUCTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate subtotals for each category of tax on the General Summary Page		PAGE	OF
Contributions from Individuals						FOR LINE NUMBER	11(a)(1)
Any information copied from such Reports and Statements may not be used by any person for the purpose of soliciting contributions or for commercial purposes. When filing using the name and address of any political committee to solicit contributions from such activities.							
NAME OF COMMITTEE (If Full)				National Organization PAC 00000001			
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Date received, (M, Y, YR)		Amount of Each Payment For Period	
Anne Sullivan 81 10th Street City, State ZIP		National Organization, Inc.		payroll deduction		\$90.00	
Mailed For: <input type="checkbox"/> Dear agency, <input type="checkbox"/> Priority <input type="checkbox"/> Certified		Occupation		Aggregate Year-to-Date > \$		(\$15 biweekly)	
		Branch Manager		888.00			
B. Full Name, Mailing Address and ZIP Code		Name of Employer		Date received, (M, Y, YR)		Amount of Each Payment For Period	
Rodney Jones 881 Heinsbury Road City, State ZIP		National Organization, Inc.		payroll deduction		\$120.00	
Mailed For: <input type="checkbox"/> Dear agency, <input type="checkbox"/> Priority <input type="checkbox"/> Certified		Occupation		Aggregate Year-to-Date > \$		(\$20 biweekly)	
		Vice President		880.00			

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

IN-KIND CONTRIBUTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate subtotals for each category of tax on the General Summary Page		PAGE	OF
Contributions from Individuals						FOR LINE NUMBER	11(a)(1)
Any information copied from such Reports and Statements may not be used by any person for the purpose of soliciting contributions or for commercial purposes. When filing using the name and address of any political committee to solicit contributions from such activities.							
NAME OF COMMITTEE (If Full)				National Organization PAC 00000001			
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Date received, (M, Y, YR)		Amount of Each Payment For Period	
Martin L. Kross 4 River Road City, State ZIP		National Organization, Inc.		5/18/84		\$3,985.00 (IN-KIND) (RAFFLE PRIZE)	
Mailed For: <input type="checkbox"/> Dear agency, <input type="checkbox"/> Priority <input type="checkbox"/> Certified		Occupation		Aggregate Year-to-Date > \$		3,985.00	
		Chairman					

SCHEDULE B		ITEMIZED DISBURSEMENTS		Use separate subtotals for each category of tax on the General Summary Page		PAGE	OF
Operating Expenditures/Other Federal						FOR LINE NUMBER	21(b)
Any information copied from such Reports and Statements may not be used by any person for the purpose of soliciting contributions or for commercial purposes. When filing using the name and address of any political committee to solicit contributions from such activities.							
NAME OF COMMITTEE (If Full)				National Organization PAC 00000001			
A. Full Name, Mailing Address and ZIP Code		Purpose of Disbursement		Date received, (M, Y, YR)		Amount of Each Disbursement For Period	
Martin L. Kross 4 River Road City, State ZIP		raffle prize		5/18/84		\$3,985.00 (IN-KIND CONTRIBUTION)	
Mailed For: <input type="checkbox"/> Dear agency, <input type="checkbox"/> Priority <input type="checkbox"/> Certified		Disbursement for: <input type="checkbox"/> Priority <input type="checkbox"/> Certified		Aggregate Year-to-Date > \$			

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. 104.5(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 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 right.

