



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

NO-5

Cynthia Suzuki, Treasurer  
Foundation Health Corporation PAC  
3400 Data Drive  
Rancho Cordova, CA 95670

NOV 5 1993

Identification Number: C00230789

Reference: Mid-Year Report (1/1/93-6/30/93)

Dear Ms. Suzuki:

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) discloses contributions received through what appears to be a payroll deduction plan. Please amend your report to disclose the total amount of contributions deducted from each individual's paycheck during the reporting period and note the amount deducted per pay period in the "Amount of Each Receipt this Period" column. (11 CFR §104.8(b)) Please refer to the enclosed sample of correctly reported payroll deductions (see attached).

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,

Amy Suzanne Reynolds  
Reports Analyst  
Reports Analysis Division

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# PAYROLL DEDUCTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate schedule for each category of the Detailed Summary Page	PAGE	OF
Contributions from Individuals					FOR LINE NUMBER	11(A)(3)
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 sources.						
NAME OF COMMITTEE (in Full) National Organization PAC 00000001						
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Date (month, day, year)	Amount of Each Receipt (See Form)	
James McIVER 81 18th Street City, State ZIP		National Organization, Inc.		payroll deduction	\$78.00	
Reason For: <input type="checkbox"/> Other source; <input type="checkbox"/> Primary; <input type="checkbox"/> Recruit		Occupation Branch Manager		Aggregate Year-to-Date > \$	(\$18 biweekly)	
B. Full Name, Mailing Address and ZIP Code		Name of Employer		Date (month, day, year)	Amount of Each Receipt (See Form)	
Rodney Jones 881 Elmwood Road City, State ZIP		National Organization, Inc.		payroll deduction	\$180.00	
Reason For: <input type="checkbox"/> Other source; <input type="checkbox"/> Primary; <input type="checkbox"/> Recruit		Occupation Vice President		Aggregate Year-to-Date > \$	(\$90 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 \$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

# IN-KIND CONTRIBUTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate schedule for each category of the Detailed Summary Page	PAGE	OF
Contributions from Individuals					FOR LINE NUMBER	11(A)(3)
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 sources.						
NAME OF COMMITTEE (in Full) National Organization PAC 00000001						
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Date (month, day, year)	Amount of Each Receipt (See Form)	
Martin L. Kross 4 River Road City, State ZIP		National Organization, Inc.		8/19/92	\$5,000.00	
Reason For: <input type="checkbox"/> Other source; <input type="checkbox"/> Primary; <input type="checkbox"/> Recruit		Occupation Chairman		Aggregate Year-to-Date > \$	(\$5,000.00)	

SCHEDULE B		ITEMIZED DISBURSEMENTS		Use separate schedule for each category of the Detailed Summary Page	PAGE	OF
Operating Expenditures/Other Federal					FOR LINE NUMBER	21(B)
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 sources.						
NAME OF COMMITTEE (in Full) National Organization PAC 00000001						
A. Full Name, Mailing Address and ZIP Code		Purpose of Disbursement		Date (month, day, year)	Amount of Each Disbursement (See Form)	
Martin L. Kross 4 River Road City, State ZIP		RAFFLE tickets		8/19/92	\$5,000.00	
Disbursement to: <input type="checkbox"/> Other source; <input type="checkbox"/> Primary; <input type="checkbox"/> Recruit				(IN-KIND)	CONTRIBUTIONS	

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

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