



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

JUL 17 1998

Kevin L. Bagwell, Treasurer
Nelson, Mullins, Riley & Scarborough
Federal Political Committee
1330 Lady Street, 3rd Floor
Columbia, SC 29211

Identification Number: C00278895

Reference: Mid-Year (1/1/97-6/30/97) and Year End (7/1/97-12/31/97) Reports

Dear Mr. Bagwell:

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 and the frequency of the deductions. 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) 694-1130.

Sincerely,

Debbie Manzano

Debbie Manzano
Senior Reports Analyst
Reports Analysis Division

PAYROLL DEDUCTIONS

SCHEDULE A		ITEMIZED RECEIPTS		USE THESE INSTRUCTIONS TO BEST ADVANTAGE OF THE DONOR. COMPLETE THIS PAGE.	PAGE	OF
Contributions from Individuals				FOR LINE NUMBER 11(b)(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, other than using the name and address of any political committee to solicit contributions from such committee.						
NAME OF COMMITTEE (in Full)						
National Organization PAC 00000001						
A. Full Name, Mailing Address and ZIP Code		Name of Employer		DATE PAID	Amount of Each Receipt (See Form 990)	
Anne Sullivan 21 18th Street City, State ZIP		National Organization, Inc. Employee		payroll deduction	\$90.00	
Received For		Purpose of Contribution		APPROXIMATE DATE	Amount of Each Receipt (See Form 990)	
Contribution		Branch Manager		8/15/84	(\$15 biweekly)	
B. Full Name, Mailing Address and ZIP Code		Name of Employer		DATE PAID	Amount of Each Receipt (See Form 990)	
Rodney Jones 881 Hantsbury Road City, State ZIP		National Organization, Inc. Employee		payroll deduction	\$120.00	
Received For		Purpose of Contribution		APPROXIMATE DATE	Amount of Each Receipt (See Form 990)	
Cash - check		Vice President		8/15/84	(\$20 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 \$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

SCHEDULE A		ITEMIZED RECEIPTS		USE THESE INSTRUCTIONS TO BEST ADVANTAGE OF THE DONOR. COMPLETE THIS PAGE.	PAGE	OF
Contributions from Individuals				FOR LINE NUMBER 11(b)(1)		
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NAME OF COMMITTEE (in Full)						
National Organization PAC 00000001						
A. Full Name, Mailing Address and ZIP Code		Name of Employer		DATE PAID	Amount of Each Receipt (See Form 990)	
Martin L. Kress 4 River Road City, State ZIP		National Organization, Inc. Director		8/19/84	\$3,999.00 (IN KIND)	
Received For		Purpose of Contribution		APPROXIMATE DATE	Amount of Each Receipt (See Form 990)	
Cash - check		Chairman		8/19/84	(\$3,999.00 RAFFLE PRIZE)	

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.

SCHEDULE B		ITEMIZED DISBURSEMENTS		USE THESE INSTRUCTIONS TO BEST ADVANTAGE OF THE DONOR. COMPLETE THIS PAGE.	PAGE	OF
Operating Expenditures/Other Payments				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, other than using the name and address of any political committee to solicit contributions from such committee.						
NAME OF COMMITTEE (in Full)						
National Organization PAC 00000001						
A. Full Name, Mailing Address and ZIP Code		Purpose of Disbursement		DATE PAID	Amount of Each Disbursement (See Form 990)	
Martin L. Kress 4 River Road City, State ZIP		raffle prize		8/19/84	\$3,999.00 (IN-KIND CONTRIBUTION)	
Disbursement to		Date Made				
Cash - check		Primary - Cash				

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