



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

David B. Gerges, Treasurer
CIGNA Corporation Political Action
Committee
One Liberty Place
Philadelphia, PA 19192

FEB 15 2002

Identification Number: C00085316

Reference: July Monthly (6/1/01-6/30/01), August Monthly (7/1/01-7/31/01),
September Monthly (8/1/01-8/31/01) and October Monthly (9/1/01-
9/30/01) Reports

Dear Mr. Gerges:

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 and frequency of each payroll deduction. 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. Electronic filers must file amendments in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

Scott Walker
Reports Analyst
Report Analysis Division

PAYROLL DEDUCTIONS

SCHEDULE A (FEC Form 330) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER (check only one) <input type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 11d <input type="checkbox"/> 11e <input type="checkbox"/> 11f
Any information copied from such Payroll and Biweekly may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes. Copy and keep the name and address of the political committee to which contributions from such services.			
NAME OF COMMITTEE (if any) Critical Reason Inc. PAC			
Full Name (Last, First, Middle Initial) Karl, Irma Marie		Date of Receipt <input type="text"/> / <input type="text"/> / <input type="text"/>	
Address 3 Crispman Ave. Kerrighsburg, Va 25235		Amount of Each Receipt (in space) <input type="text"/> 90.00	
ZIP Code 25235		Amount of Each Receipt (in space) <input type="text"/> 90.00	
Name of Employer Critical Reason Inc.		Occupation Executive Officer	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Appropriate Year-to-Date Total <input type="text"/> 885.00	

***Adding Extra Text/Explanations:** When using FECFile electronic filing software, this information can be entered using the "memo text" window. To make a "memo text" entry, select the "View" menu on the FECFile toolbar. Select "All Transactions." Single click (highlight) the transaction to which the "memo text" will be attached. Then select the "Edit" menu on the toolbar and select "memo text."

***When using FECFile electronic filing software, enter this information in the "description" field.**

Categorizing Receipts

Before beginning to itemize the committee's receipts, separate them into the different categories listed on the Detailed Summary Page ("Contributions from Individuals," "Contributions from Political Committees," etc.; an illustration of a completed Detailed Summary Page appears on pages 54-55). The receipts in each category must be itemized on a separate Schedule A designated for that category.

Indicate the type of receipt itemized on a particular Schedule A by checking the box for the corresponding line number from the Detailed Summary Page where indicated in the upper right corner of the schedule. The appropriate category of receipt may also be written at the top of each page.

Some categories may require several pages. The total for each category should be entered on the bottom line of the last page for that category.

Itemized Information

- For each itemized contribution, provide:
- The full name and address (including zip code) of the contributor or other source;
 - The name of the contributor's employer (if the contributor is an individual);

- The contributor's occupation (if the contributor is an individual);
- The date of receipt;
- The amount; and
- The aggregate year-to-date total of all receipts (within the same category) from the same source. 104.3(a)(3). The space indicating the election for which an itemized contribution was made ("Receipt For") does not apply to SSFs; leave those boxes blank.

Special "Employer" Information
 If a contributor is self-employed, that should be recorded in the Employer space. If a contributor is not employed, the Employer space should be left blank, but the Occupation space should always be completed (e.g., "unemployed," "retired," "homemaker").

Best Efforts Required
 Note that committees and their treasurers must use "best efforts" to obtain and report the information listed above. See page 36 for more information.

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, type "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.)

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and any other financial activity. The document also highlights the need for regular reconciliation of accounts to identify any discrepancies early on.

In addition, the document provides a detailed overview of the accounting cycle, which consists of eight steps: identifying the accounting cycle, journalizing, posting, determining debits and credits, preparing a trial balance, adjusting entries, preparing financial statements, and closing the books. Each step is explained in detail, with examples provided to illustrate the process. The document also discusses the importance of maintaining proper documentation for all transactions, including receipts, invoices, and bank statements.

The second part of the document focuses on the preparation of financial statements. It explains how to calculate net income, determine the cost of goods sold, and prepare the income statement, balance sheet, and statement of cash flows. The document also discusses the importance of providing a clear and concise explanation of the financial results, including a management discussion and analysis. This section provides a step-by-step guide to the preparation of each financial statement, with examples and formulas provided for each calculation.

Finally, the document discusses the importance of internal controls and the role of the auditor. It explains how to design and implement effective internal controls to prevent fraud and errors, and how to conduct an audit to ensure the accuracy and reliability of the financial statements. The document also discusses the importance of maintaining proper documentation for all transactions, including receipts, invoices, and bank statements.