FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

DEC 13 1995

Cynthia L. Martin, Treasurer
Diagnostic/Retrieval Systems, Inc.
Good Government Fund
1215 Jefferson Davis Highway
Arlington, VA 22202

Identification Number: C00275123

Reference: Mid-Year Report (1/1/95-6/30/95)

Dear Ms. Martin:

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) discloses contributions received through a payroll deduction plan. Generally, a committee's report must identify each contribution from an individual which in the aggregate exceeds $200 during the calendar year. (2 U.S.C. §434(b)) For your information, instead of separate itemization, a committee using a payroll deduction plan may disclose the aggregate amount of contributions received from the contributor through the payroll deduction plan during the reporting period; the identification of the individual where the contribution exceeds $200 in the aggregate during the calendar year; and a statement of the amount deducted per pay period. 11 CFR §104.8(b)

-Line 11(a)(i) of the Detailed Summary Page of your report discloses a total of $16,690 in individual itemized receipts. The sum of the entries itemized on Schedule A, however, indicates the total to be $25,065. Please amend your report to clarify the discrepancy.

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,

Neil Evans
Reports Analyst
Reports Analysis Division

254

PAYROLL DEDUCTIONS

SCHEDULE A — ITEMIZED RECEIPTS

Contributions from Individuals — FOR LINE NUMBER 11(a)(i)

NAME OF COMMITTEE (in Full): National Organization PAC — C00000001

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
A. Anne Sullivan, 21 18th Street, City, State ZIP	National Organization, Inc. / Branch Manager	payroll deduction	$72.00 ($12 biweekly)
	Aggregate Year-to-Date > $ 228.00		
B. Rodney Jones, 881 Hainsbury Road, City, State ZIP	National Organization, Inc. / Vice President	payroll deduction	$120.00 ($20 biweekly)
	Aggregate Year-to-Date > $ 380.00		

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

IN-KIND CONTRIBUTIONS

SCHEDULE A — ITEMIZED RECEIPTS

Contributions from Individuals — FOR LINE NUMBER 11(a)(i)

NAME OF COMMITTEE (in Full): National Organization PAC — C00000001

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
A. Martin L. Kress, 4 River Road, City, State ZIP	National Organization, Inc. / Chairman	6/19/92	$3,999.00 (IN-KIND) (RAFFLE PRIZE)
	Aggregate Year-to-Date > $ 3,999.00		

SCHEDULE B — ITEMIZED DISBURSEMENTS

Operating Expenditures/Other Federal — FOR LINE NUMBER 21(b)

NAME OF COMMITTEE (in Full): National Organization PAC — C00000001

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Martin L. Kress, 4 River Road, City, State ZIP	raffle prize	6/19/92 (IN-KIND	$3,999.00 CONTRIBUTION)

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