

Finance Committee Regular Meeting - March 1, 2007

MINUTES

A regular meeting of the PNB Finance Committee was called to order at 6:51 pm PST by continuing Chair LaVarn Williams with Terry Goodman serving as Secretary Pro-Tem. The minutes of the meeting of 2/15/07 were approved.

Attendance

Present: Dave Adelson, Baruti Bediako, Brian Edwards-Tiekert, Jane Gatewood, Terry Goodman, Lonnie Hicks, Sandra Rawline, and LaVarn Williams.

Absent: Berthold Reimers, Thomas Ruffin, and Bob Sanborn.

Revised Agenda

- 1) Roll Call and Approval of Agenda (10 minutes)
 - a) Committee Officer Election Results
 - b) Report from Closed Session
- 2) Approval of Minutes – February 15, 2007 (5 minutes)
- 3) Next Meeting –Thursday, March 22, 2007 @ 8:00 PM EST (5 minutes)
- 4) Unfinished Business
 - a) Review of December Financials
- 5) New Business
 - a) Items Referred by the PNB
 - b) 2007 Committee Priorities and Goals
 - c) Finance Reporting Delays During Annual Audit
 - d) Investment Policy
 - e) Work in Subcommittees

1. Roll Call and Approval of Agenda

The Agenda was revised and approved without objection at 7:06 pm.

1a. Committee Officer Election Results

LaVarn Williams was elected committee Chair and Terry Goodman was elected Secretary, with three ballots submitted.

1b. Report from Closed Session

The Chair reported the general purpose of the closed session meeting.

2. Approval of Minutes

Motion by Terry Goodman that the minutes of the regular meeting of February 15, 2007 be

approved.

The minutes were approved without objection at 6:05 pm.

3. Next Meeting

Motion by LaVarn Williams that the Committee next meet on Thursday, March 22, 2007 beginning at 8:00 pm EST.

Motion approved without objection at 6:05 pm. Adelson to schedule a PNB meeting after this date. Goodman and Williams to prepare a committee report for the PNB meeting.

4a. Review of December Financials

Unfinished business was skipped.

5a. Items Referred by the PNB

The Chair has sent a message to the Audit Committee Chair regarding the scheduling of a joint meeting for review of the Draft Financial Policies and Procedures Manual, which will be in reviewable form by the April PNB meeting. *Williams to contact Michael Woodson to schedule a joint meeting with the Technology Committee on a different matter.*

5b. 2007 Committee Priorities and Goals

There was discussion of 2007 Finance Committee priorities and goals, based upon the listing of items prepared by Williams from previous committee motions (Appendix A). An alternative formulation was sent to committee members by Edwards-Tiekert during the meeting (Appendix B), and another by Gatewood soon thereafter (Appendix C).

5c. Finance Reporting Delays During Annual Audit

Consideration postponed by adjournment.

5d. Investment Policy

Consideration postponed by adjournment.

5e. Work in Subcommittees

Consideration postponed by adjournment.

6. Adjournment

Motion by Lonnie Hicks to adjourn.

The meeting was adjourned without objection at about 8:00 pm PST.

Respectfully submitted,

Terry Goodman, Secretary

These minutes were approved on April 9, 2007.

Appendix A - Williams' Proposal on Goals and Projects

GOALS AND PROJECTS FOR THE NEXT NINE MONTHS (with additions)

- 1) Work with Archives Committee to generate a method to fund the Archive Restoration Project utilizing off-air fundraising as a revision to the PNB approved motion authorizing income transfers from the stations whose source funds is primarily on-air fundraising.
- 2) The ED and CFO to identify funds in the National Office budget with which to explore outreach with potential new partners for the Pacifica network, such funds to be disbursed through Requests for Proposals. Additionally, that the ED and CFO propose an RFP process towards the goals of identifying creative sources within the network and in the community that deserve support, expand the Mission, and have potential to develop additional revenue streams.
- 3) Generate an 18 month planning cycle that allows a forward look at the critical cash flow needs of the first quarter of the following fiscal year.
- 4) Review and provide input to the Finance Policies and Procedures Manual with the following areas specifically identified
 - a) Chart of accounts utilized consistently across all Finance areas
 - b) Foundation wide Signature authorization levels for bank and investment accounts, expenses, capital, and headcount
- 5) The CFO to prepare a listing of how much was spent on the last 5 PNB meetings on transportation (including airfare), hotel lodging and meeting rooms, food, and miscellaneous, and that an estimate also be prepared on national staff time spent in support of these meetings.
- 6) The National Office to work with the LSB's and local stations with the objective of reducing the annual cost of PNB meetings by 10%, with half of any achieved local savings being devoted to increasing the outreach budgets of stations that meet their portion of this goal. Discussion to include recognition of a need for policies and guidelines regarding Director Responsibility for the additional expenses of late reservations, early arrivals, extra stays, and long distance phone calls billed to hotel rooms.
- 7) Implement quarterly headcount reporting as approved by the PNB.
- 8) The CFO to prepare a monthly report on legal expenses including a forecast and trends over prior years; in addition, the NFC to prepare a summary of already adopted motions related to legal expenses and procedures.
- 9) Consider need for PNB to approve major Foundation legal settlements
- 10) Investment Policy
- 11) Reporting Format Consistency
- 12) Finance Models
 - a) Salary
 - b) Planning models for goal setting

Appendix B - Edwards-Tiekert's Proposed Simplified Alternative Goals

1. Review and approve budgets for all network units in a timely fashion. (by one month before end of fiscal)
2. Review and approve a network-wide financial policies and procedures manual. (210 days)

3. Review and approve a standard network-wide chart of accounts. (60 days)
4. Review and approve a policy to guide investment of restricted endowment funds and cash surpluses. (120 days)
5. Review and approve a PNB meeting expense policy. (90 days)

Appendix C - Gateway's Reformatting of Proposed Goals

PROPOSED GOALS/OBJECTIONS FOR 2007

(JG 03-01-07, based on prior versions from LW and BET)

Finance / Planning Models

1. Work toward integrating the budget process with meaningful planning and goal setting (Ongoing)
2. Initiate steps to identify the long-term impacts of existing salary models within the network and exploration of options (300 days)

Financial Reporting, Oversight, and Policies

3. Review and approve a network-wide financial policies and procedures manual. (45 days)
4. Work with CFO to increase Timeliness, Clarity, and Consistency of financial reporting including, but not limited to:
 - a. Review and approve a standard network-wide chart of accounts. (60 days)
 - b. Implement quarterly headcount as approved by the PNB.
5. Review and approve budgets for all network units in a timely fashion. (Ongoing, beginning now, with completion by Aug 30th – 180 days)
6. Review and approve a PNB meeting expense policy. Policy to include Director Responsibility for the additional expenses of late reservations, early arrivals, extra stays, and long distance phone calls billed to hotel rooms. (90 days)
7. Review and approve a policy to guide investment of restricted endowment funds and cash surpluses. (120 days)

ONGOING PROJECTS

As of March 1, 2007

PNB meeting Expenses

- CFO to report on expenditures for last 5 PNB meetings and each future meeting including: transportation (including airfare), hotel lodging and meeting rooms, food and miscellaneous, and estimate of national staff time spent in support of these meetings.

- National Office, LSB's and Station management: Work to reduce annual meeting cost by 10%, with half of any achieved local savings being devoted to increasing the outreach budgets of stations that meet their portion of this goal.

Legal Expenses

- CFO to prepare monthly report on legal expenses including forecast / trends over prior years;
- NFC to prepare summary of already adopted motions related to legal expenses and procedures.
- Consider need for PNB to approve major Foundation legal settlements

New Partners Initiative

(ED and CFO) identify funds in National Office budget to explore outreach with potential new partners for the Pacifica network and propose RFP process for disbursement of these funds.

(ED and CFO) identify creative sources within network and in community at-large that expand the Mission (???) and have potential to develop additional revenue streams.

Archive Restoration Project

Work with Archives Committee to generate off-air fundraising as a revision to the PNB approved motion authorizing income transfers from the stations whose source of funds is primarily on-air fundraising.