

Minutes for the regular National Finance Committee meeting November 14, 2023.

Meeting convened at 8:35 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Teresa Allen, Kamau Harris, Julie Hewitt, Kim Kaufman, R. Paul Martin (Secretary), James McFadden, Sean Kelly McPherson, James Sagurton (Chair), Elizabeth von Gunten also attending was Pacifica Executive Director Stephanie D. Wells.

Agenda:

1. Convene Meeting
 2. Roll Call
 3. Adopt Agenda
 4. Minutes (10 minutes)
 5. Update from stations on the status of their budgets and when they're going to send them in (10 minutes)
 6. Report from the Executive Director with Q & A (30 minutes)
 7. Review the Draft Consolidated Financials with Pacifica Executive Director, Stephanie Wells (60 minutes)
 8. Adjourn no later than 10:15 PM (ET)
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Motion: (James Sagurton) "To adopt the agenda." (Passed without objection as amended)

Amendment: (Kim Kaufman) "To add before 'Report from the Executive Director with Q & A,' 'Update from stations on the status of their budgets and when they're going to send them in (10 minutes)'" (Passed without objection)

Minutes 8:40 PM (ET)

Motion: (R. Paul Martin) "To approve the minutes of the September 12, 2023, NFC meeting." (Postponed)

The Committee discussed the motion.

Motion: (R. Paul Martin) "To postpone the motion to the next meeting." (Passed without objection)

The Committee discussed the motion to postpone.

Point of Order: (Sharon Adams) Debate should focus on the motion to postpone.

The Chair ruled that the point of order was well taken.

The Committee discussed the motion.

Motion: (R. Paul Martin) “To reconsider the motion to approve the September 26, 2023, minutes. (Passed without objection)

The Committee discussed the motion.

Motion: (R. Paul Martin) “To approve September 26, 2023, minutes.” (Passed without objection as amended)

Amendment: (R. Paul Martin) “To add to the minutes of the September 26, 2023, meeting ‘A motion to approve the minutes of the August 22, 2023, NFC meeting had been passed at the September 12, 2023, meeting. Therefore the motion made to do so at the September 26, 2023, meeting was out of order and is null and void.’” (Passed without objection)

The committee discussed the amendment.

Motion: (R. Paul Martin) “To approve the minutes of the October 24, 2023, NFC meeting.” (Passed 6 for, 2 against, 1 abstention)

The Committee discussed the motion.

Point of Order: (Sharon Adams) The time for this item has expired.

Motion: (James Sagurton) “To extend the time for this item by three minutes.” (Passed without objection) 9:04 PM (ET)

The Committee continued to discuss the main motion.

Update from stations on the status of their budgets and when they’re going to send them in 9:15 PM (ET)

The KPFA Treasurer said that KPFA’s draft FY24 budget was ready for consideration.

The KPFK Treasurer said that the NFC had considered the KPFK draft FY24 budget and passed it on to the PNB.

The KPFT Director said that she didn’t know the status of the KPFT draft FY24 budget but that they were having a local Finance Committee meeting on the draft FY24 budget very soon and she would try to get the answer as soon as possible.

The WPFW Treasurer said that the KPFT local Finance Committee had not as a committee met with the General Manager on it. He said that questions on the budget had been posed to the General Manager and he was supposed to send answer. He said that he did not have an estimated time.

The WBAI Treasurer said that the General Manager was working on it and that the General Manager had said that he was working on it with the National Office and that it had not come to the local Finance Committee yet but probably would meet later this month.

Report from the Executive Director with Q & A 9:17 PM (ET)

The Executive Director told the committee that she had gotten budgets from the Pacifica Affiliates Network and it was ready to give to the NFC. She said that she hadn't anything from the Pacifica Radio Archives. She said that each of the divisions has had a simplified budget. She said that she had met that morning with the General Managers and division Directors and all of them had seen the simplified budgets that had been presented to the NFC in September and that the simplified budgets were based on information from the General Managers and division Directors and also on the average actuals for the last two, and with some stations three, fiscal years.

The committee discussed when draft FY24 budgets would be sent to the NFC and how many the committee might do at once. The Chair asked members to speak to their General Managers and Business Managers and see when and who would like to present those draft FY24 budgets, and he asked that they send the draft budgets to NFC mailing list.

The Executive Director told the committee that a report had been sent to everyone. She said that it went over the payables as of November 1, 2023. She said that the National Office was working diligently trying to pay down the Aged Payables that Pacifica has. She said that a lot of the vendors had been generous in working with Pacifica. She said that she was talking with the vendors on regular basis. She said that Pacific's Aged Payables without the loans was \$1,208,264. She said that a listener had asked about the FJC loan and she said that the principal was \$2,548,821, and that the principal plus the past due interest payments was \$2,832,193. She said that the Economic Injury Disaster Loan (EIDL) principal was \$2,079,430 and the interest due was \$61,117. She said that the EIDL interest was \$8,731 and was due monthly. She said that the FJC loan interest was due every quarter.

The Executive Director said that Pacifica was still in the process of divisions transferring their bank accounts to the Bank of America. She said that some divisions had already been working with Bank of America and that the others were working on it. She said that she wants paper trails based upon bills that are due and vendors. She said that this would allow the coding to be correct rather than the National Office just trying to guess how the coding might need to be listed, which would allow for a much cleaner paper trail with regard to Pacific's Aged Payables. She said that the National Office was setting up a system to allow Pacifica to accept stock gifts and there had been a meeting on it some weeks ago and she was hoping to get that set up. She said that there were gifts waiting to be given to Pacifica. She said that all divisions had been told that they needed to have all of their funds transferred over to the Bank of America by December 1.

The Executive Director said that she'd gotten notice that the Corporation for Public Broadcasting (CPB) was denying funding to Pacifica for the current cycle. She said that she was working with the CPB to figure out what we need to do to be in compliance the next time we apply. She said

that there were still some things that Pacifica needed to do to demonstrate full compliance from a request that the CPB had sent in 2013, and as a follow-up from 2020. She said that there were still some paperwork and compliance issues that we need to backtrack and Pacifica needed to fill out the information that wasn't filled out correctly from 2013, to 2020. She said that we needed to work with the CPB to get copies of the information and the forms that they have. She said that a lot of the forms that need to be filled out require access to the CPB portal and we no longer have access to that portal so we are trying to get access to that portal again so we can give the CPB the information they want we need to be in full compliance for a full year prior to applying. She said that the CPB wants audit reports for each station in addition to the Pacifica Foundation. She said that it's not a lot of additional work but the auditors will have to do it. She said that we'll also need unqualified opinions for each station to present to the CPB. She said we still don't have the money to pay the auditors yet.

The Executive Director said that she was working on a governance handbook that will be presented to the PNB, LSBs and the CABs as an orientation packet for volunteer board members at every level. She said that this handbook would be going out to everyone once the new board is seated. She said that everyone will be told that they will need sexual harassment and other training within 90 days of being seated. She said that the handbook would also include a link to Robert's Rules of Order.

In answer to a question the Executive Director said that she would find the 12th edition of *Robert's Rules of Order Newly Revised* on-line and provide that to people. Some members noted that a subscription to an on-line version would be very expensive. Later in the meeting the Executive Director said that she'd found a link to the 12th edition of *Robert's Rules of Order Newly Revised* on-line for free. It was requested that she provide that link.

In answer to a question the Executive Director said that the CPB requirement of an audit for each station sounds like a lot but it's not. She said that we'd just have more than one copy of the audit, a booklet for each station. She said that the CPB wants one application for Pacifica and also one for each station, and they want the narrative. The Executive Director said that the auditors have to create those for each station anyway, and that the auditors would probably charge Pacifica extra for that but that it would probably not be an exorbitant amount. She said that she was told to apply as one unit and she didn't know why they want audits for all of the stations too.

The committee discussed how grants and Major Donor donations would be made by transfers using voided checks. The Executive Director said that that was something that could be done now.

The WPFW Treasurer asked about the \$160,000 taxes and fees expense in the simplified budget. The Executive Director said that she has to ask the WPFW Business Manager and local Finance Committee what those expenses are.

Review the Draft Consolidated Financials with Pacifica Executive Director, Stephanie Wells
9:57 PM (ET)

The Executive Director said that everyone has had the “Pacifica Foundation Consolidated Monthly Income Statement For the Eleven Months Ending Thursday, August 31, 2023” for a while and the one ending with September was coming soon. She read some of the numbers from the document and said that a lot of stations were doing a very good job rolling out local sponsorships for programs and underwriting. She said that this has been talked about at the General Managers’ meeting. She said that KPFT had gotten a sponsorship for a year for a program. She said that a plus of getting audits for each station will be for people wanting to give money to one station. They’ll be able to get not only the Pacifica audit but also one for the specific station to which they want to donate.

In answer to a question the Executive Director said that about two years ago Pacific’s Total Revenue was about \$11 million but now it was about \$9 million. She said that a lot of that decline was unfortunately in Listener Support. She said that she wanted that information broken down more. There was a discussion of the Paycheck Protection Program revenue being miscoded, but it was also noted that Listener Support had declined. There was a discussion of how some non-Pacifica stations link sustaining member donations to bank accounts rather than to credit cards and other things that could be done to increase revenue.

Motion: (Kamau Harris) “To extend the time for this item by 10 minutes.” (Passed without objection) 10:18 PM (ET)

The committee discussed how some items were showing as revenue when they were from things like reimbursement for a stolen check. There was also a discussion of setting up an Aged Payables for all stations with regard to their unpaid Central Services fees. The Executive Director said that with all accounts at one bank it will now be easier to get the coding right and that unpaid Central Services fees would be listed as a loss because so much was owed by stations on Central Services fees that catching up for most of the stations would be impossible. She said that she would make adjustments next month and that it was too messy to carry a tab for that long.

The committee discussed miscoding of revenue and expenses some more and the Executive Director said that reconciliations would be easier with all of the bank accounts at Bank of America and that the National Office could reconcile bank accounts on a monthly basis rather than trying to reconcile accounts by dealing with an overwhelming number of receipts at the end of a fiscal year. The Executive Director said that if there are questions about miscoding and the station’s Treasurer is alerted to it then the Treasurer could discuss it with National Business Manager directly and have the station’s General Manager be part of it.

The committee agreed to release the “Pacifica Foundation Consolidated Monthly Income Statement For the Eleven Months Ending Thursday, August 31, 2023” to the public.

Adjourned 10:48 PM (ET)

Submitted by R. Paul Martin, Secretary.