

Minutes for the regular National Finance Committee meeting December 6, 2022.

Meeting convened at 8:41 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Grace Aaron, Elizabeth von Gunten, Kamau Harris, Julie Hewitt, R. Paul Martin (Secretary), James McFadden, Sean Kelly McPherson, James Sagurton (Chair), Susan Young also attending was Pacifica Executive Director Stephanie D. Wells.

Agenda:

1. Convene meeting 8:30 PM (ET)
 2. Roll Call
 3. Adopt Agenda
 4. Chair's Announcements (2 minutes)
 5. Minutes (3 minutes)
 6. Executive Director's Report (10 minutes)
 7. National office Budget and Central Services Formula (15 minutes)
 8. KPFT Budget tabs review (5 minutes)
 9. Written reports and document requests (5 minutes)
 10. Adjourn to Executive Session 9:15 PM (ET)
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Motion: (James Sagurton) "To adopt the agenda." (Passed without objection) 8:44 PM (ET)

Chair's Announcements 8:44 PM (ET)

"Tonight we will hear a report from the Executive Director and review and discuss the continuing cash flow and payroll situation.

"We will also review Pacifica's August Financials and the Central Services Formula."

Minutes 8:44 PM (ET)

Motion: (R. Paul Martin) "To approve minutes if the November 1, 2022, open session NFC meeting." (Passed without objection)

The Committee discussed the motion. A correction was made.

Report from the Executive Director with Q & A 8:48 PM (ET)

Motion: (James Sagurton) "To postpone items 6 & 7 until the Executive Director arrives." (Passed without objection)

Central Services Formula 8:49 PM (ET)

The committee once again considered Central Services formulas. There was consideration of whether the formula should involve a flat 15% rate or not. Questions were raised about some stations using old Central Services formulas for their Central Services rates. The fact of stations not actually paying Central Services fees and so not generating the projected revenue was brought up, It was agreed to come back to this issue at the next meeting after people had gotten more information.

Report from the Executive Director with Q & A 9:06 PM (ET)

The Executive Director told the committee that Pacifica would make the next payroll. She said that she was looking at Aged Payables and payables of concern such as *Allegiance* and ASCAP and she has to decide what must be paid and what could be put off. She said that the FJC interest payment was due on December 31, 2022. She said that the general counsel would talk to FJC about the interest payment and what would happen if we didn't have the full amount and were a little late. She said that an audit has been requested of our 401(3B) plan and the Pacifica retirement plan. She said that she'd spoken with the auditor and they've sent some requests starting with 2017, and later periods. She said that she may reach out to people who know the history of the 401(B) about where that paperwork is. She said that she'd gotten the 90 day notice from SAG-AFTRA that it was time to renew the Union contract at KPFA and that she and the general counsel would be working on that after the holidays. She said that the Pacifica Affiliates Network (PAN) had started a merchandise store with nice T-shirts that promote it on BONFIRE.COM. She said that the National Office was still working on server issues. She said it'd been like they had spent almost 48 hours working on that. She said that it looked like the KPFK server, which includes the national server, was somehow linked to the Pacifica Radio Archives (PRA). She said that the experts were looking at it. She said that servers were linked where they shouldn't be linked and they were looking for where the problems are. She said that there would be a meeting with another real estate broker to see their assessment package for the KPFK building. She said that she'd get their assessment package and she could forward that to the PNB and the NFC, and after that we could move forward with a broker.

In answer to a question the Executive Director said that the *Great Plains* issues are related to the server issue. She said that it's all in the KPFK building, and the servers had been somehow connected to PRA. She said that it may have had something to do with adding phone lines for an on-air fund raiser a while ago, but she's not sure. She said that one group was trying to figure out how it had happened and others were just trying to get it to work. She said that KPFK had been without Internet access the day before. She said that credentials were an issue and she wanted to reset everything and make new passwords. She said that we have to make sure that all of the archives are backed up.

In answer to a question the Executive Director said that with regard to signatory authorization progress was being made. She said that the National Office had view-only access to all major accounts, but not to some PayPal, Venmo and other accounts. She confirmed that the problem had been a matter of the individuals whom the banks had authorized to view the accounts having

changed.

The Executive Director said that with regard to *Allegiance* we still owe them money. She said that no services had been shut off, but we did have a substantial amount of funding past due, more than 120 days. She said that we have to make payments to them.

In answer to a question the Executive Director said that Pacifica still owed NETA a little less than \$40,000.

August Financials 9:30 PM (ET)

Before the meeting the committee had been sent the “Monthly Income Statement For the Eleven Months Ending Wednesday, August 31, 2022.”

The Executive Director told the committee that once the *Great Plains* problem is fixed that the National Office should be able to generate up to date financials. She said that once they get access to all of the bank accounts then the National Business Manager and she could do reconciliations every month.

There was a discussion of whether or not the Monthly Income Statement could be released to the public. The Executive Director said that bank reconciliation had been delayed. After the committee discussed releasing these financials it was agreed that after this meeting they could be released to the LSBs and local Finance Committees. In the course of the discussion it came out that only WPFW and PRA had ended FY22 in the black and that KPFT had been in the red only a little bit.

The committee discussed General Managers and Business Managers coding financial transactions. The Executive Director said that they should be doing that but that not everything had been encoded properly in the past. She said she’d spoken with the former CFO who’d said that she’d had to go over things and see how they were coded. The Executive Director said that there has not been a consistency with encoding. Training in this area was discussed.

The committee discussed the definition of a Major Donor. The Executive Director said that in her opinion a Major Donor would be someone who gave \$1,000 or more a year.

Adjourn to Executive Session 10:00 PM (ET)

Adjourned 10:00 PM (ET)

Submitted by R. Paul Martin, Secretary.