

Minutes for the regular National Finance Committee meeting August 9, 2022.

Meeting convened at 8:40 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Nick Arena, Chris Cory, Elizabeth von Gunten, Julie Hewitt, Kim Kaufman, Julia Kennard (CFO), R. Paul Martin (Secretary), James McFadden, Sean Kelly McPherson, James Sagurton (Chair), Susan Young.

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. Report from Executive Director (If available, 10 minutes)
7. Report from the CFO (10 minutes)
8. Motion to update Pacifica Transaction Limits (20 minutes)
9. Non Disclosure Agreements (10 minutes)
10. Budget Timelines and schedule for NFC review of budgets for FY22 and FY23 (5 minutes)
11. Adjourn to Executive Session (By 9:45 PM (ET) time certain)

Motion: (James Sagurton) "To adopt the agenda." (Passed without objection)

Chair's Announcements 8:44 PM (ET)

"The 2021 Audit is finished. The Pacifica National Board's Audit Committee reviewed it at their meeting last night.

The Executive Director will not be with us because she is recovering from donating a kidney.

We had expected to review the KPFA budget tonight but that has been postponed.

Tonight we will once again consider the Motion on Transaction Limits that has been carried over from previous agendas and an amendment.

We will also review the previously distributed Nondisclosure Agreement and Consent to use Electronic Transmission Forms.

We will go into Executive Session after the Open Session to discuss replacing NETA, which will involve personnel and contractual issues."

Minutes 8:45 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the July 26, 2022, NFC meeting.” (Passed without objection)

Report from Executive Director 8:46 PM (ET)

The Executive Director was not present (See Chair’s Announcements.)

Report from the CFO 8:46 PM (ET)

The CFO told the committee that the FY21 audit had been submitted to Audit Committee the night before this meeting, and that she would send it out after the PNB voted on it. She said that this is the first time in a while that Pacifica has received an unqualified or clean opinion in an audit. She said that Pacifica’s IRS Form 990 for FY21 has also been completed. She said that there would be a Management Letter with this audit. The CFO said that the FY21 audit had to be filed by August 15, and she was confident that the deadline would be met. She noted that we were able to reverse the KPFA accrued expense that had been posted for the property tax issue, which amounted to over \$400,000. She said that that allowed us to go from about a \$500,000 deficit to about a \$65,000 deficit. She said that the Economic Injury Disaster Loan (EIDL) amount had been increased from \$150,000 to \$2,000,000 right after the end of FY21 so they had to add some notes in the audit about that. She said that the FJC loan had been extended and Pacifica now has another two years before the principal is due. She said she’d get that distributed to everyone by the next meeting.

The CFO said that cash was a challenging situation. She said that WBAI was over \$9,000 short of payroll, but had two more days left to deposit it. She said that WBAI was averaging about \$2,300 a day in their on-air fund raiser this month. The Chair said that WBAI had brought in a bout \$5,700 the day before and was probably going to make payroll.

The CFO said that KPFK was about \$35,000 short for payroll which must be funded by August 11, and she did not think that they would be able to make it. Their on-air fund raiser kicked off a few days before this meeting and was averaging about \$4,700 a day. She said that they have raised about \$23,000 or \$24,000. She said that she thought that their fulfillment rate was about 85%. She said that the National Office had gotten a Central Services payment from KPFA for July the previous week and would need to use that to subsidize KPFK’s payroll. She said that the August on-air fund raiser at KPFK would last for all of August, and they should be able to repay the National Office, which can’t absorb that large a loan for long.

She said that KPFT was borrowing to meet payroll. She said that WPFW and the Pacifica Affiliates Network have already funded payroll, and that the Pacifica Radio Archives would probably do it the next day, and KPFA could make their payroll. She said that the National Office had some invoices that needed to be paid and money had been transferred from the Schwab account to make the remaining payments for the FY21 audit and 990 and for the July National Educational Telecommunications Association (NETA) invoice. She said that WBAI has aged payables but they’re only one to two months behind on rents.

She said that WPFW would debate about how to transition from traditional quarterly on-air fund raisers to a type of fund raising you might see in a non-radio based organization. She

said they were looking for major gifts, but it's hard to cut things cold turkey. She said that they have not started their August on-air fund raiser. She said that she hoped that WPFW would be able to start their on-air fund raiser in the next week.

The CFO said that she'd sent out a list of NETA responsibilities, and that the PNB had approved putting an interim Business Manager in place who would work on payroll and move into other day to day responsibilities. She said that would keep things rolling till decisions were made about work long term.

The committee discussed the CFO's report. In answer to a question the CFO said that the KPFK long and short term electric bill payments had been made.

It was noted that having multiple stations not being able to pay Central Services fees was not sustainable. There was discussion of the details of KPFA's \$500,000 property tax liability getting reduced to less than \$50,000.

Motion: (James Sagurton) "To extend the time for this item by five minutes." (Passed without objection) 9:15 PM (ET)

The committee continued to discuss the CFO's report. In answer to a question the CFO went over the services that NETA has been providing, they include:

Accounting Services

- General Ledger
- Accounts Payable
- Accounts Receivable
- Cash Management
- Journal entry processing
- Fixed asset accounting
- Account reconciliations
- Monthly Financial Reporting
- "Virtual CFO"
- Board Liaison
- Budget Consultation

Payroll Services

- Payroll Processing
- Journal entries
- Reconciliation of balance sheets for withholding accounts
- Monitoring payment of payroll taxes
- Reviewing and verifying payroll reports

Audit Support Services

- Support for annual audits

Information for the Form 990
Generate the 1099 forms
Prepare annual 1096 report

Human Resources

Benefits Administration
Human Resources Administration
Compliance

Motion to update Pacifica Transaction Limits 9:29 PM (ET)

Motion: “Motion to update Pacifica Transaction Limit Policy

The NFC recommends that the PNB authorize the Executive Director, General Managers, Pacifica Unit Managers, and other senior Pacifica management as designated by the Executive Director to approve on their own authority all reasonable and necessary standard transactions within policy and budgetary guidelines, in amounts up to and including \$10,000 per fiscal budget year (cumulative), including all previously approved contractual obligations and routine payments.

Any and all proposed new transactions in excess of \$10,000 per fiscal budget year (cumulative) shall require PNB approval in advance. All such proposed new transactions shall be submitted by Management to the PNB in writing in advance and considered for approval at the next appropriate PNB meeting.

In case of emergency, the most senior acting Pacifica Manager may obtain the necessary approval with the signatures of the current acting Pacifica CFO and any two currently seated elected PNB Officers, a process to be reserved strictly for emergencies.

Any transaction in excess of this Transaction Limit executed without prior PNB approval is in violation of Pacifica Policy. Any and all questionable transactions shall be reported immediately to the PNB, shall be agendaized at the next appropriate PNB meeting, and shall be considered in performance evaluations.

This policy supersedes the previous PNB Spending Policy of April 25, 2013, and any and all other previous pertinent Pacifica policies.”

The Committee discussed the motion.

Amendment: (Kim Kaufman) “The NFC recommends to the PNB that we update the April 2013, Spending policy increasing the unbudgeted expense limit from \$5,000 to \$10,000.”
(Passed 6 for, 1 against, 2 abstentions)

The Committee discussed the amendment, which was in the form of a substitute motion.

The Chair dropped off the call due to a power failure. Chris Cory assumed the Chair 10:01 PM (ET).

Motion as amended: “The NFC recommends to the PNB that we update the April 2013, Spending policy increasing the unbudgeted expense limit from \$5,000 to \$10,000.” (Passed 7 for, 1 against, 2 abstentions)

James Sagurton got back on the call and assumed the Chair 10:04 PM (ET).

Motion: (Chris Cory) “To extend the time for this item by 10 minutes.” (Passed without objection) 9:48 PM (ET)

The Committee discussed the substitute motion.

The Chair announced that time was up for this meeting.

Motion: (James Sagurton) “To extend the time for this item in the open session for 10 minutes, a And extend the meeting including the executive session for 20 minutes.” (Passed without objection) 10:10 PM (ET)

Non Disclosure Agreements 10:11 PM (ET)

The committee discussed the “Pacifica National Board Member And Pacifica National Board Committee Member Non-Disclosure and Confidentiality Agreement” and “Consent to Use of Electronic Transmissions” that had been presented. Two of the Treasurer’s had problems with it. The committee discussed the issues and how to send the signed forms in.

Budget Timelines and schedule for NFC review of budgets for FY22 and FY23 10:29 PM (ET)

The committee discussed a schedule for getting the budgets done. There was a discussion of possibly scheduling more NFC meetings to deal with the FY23 budgets.

Motion: (Chris Cory) “To extend the time for this meeting by 10 minutes.” (Passed without objection) 10:41 PM (ET)

The committee continued the discussion on the FY23 budgets and meeting scheduling.

Adjourned to executive session 10:41 PM (ET)
Submitted by R. Paul Martin, Secretary.