

Minutes for the regular National Finance Committee meeting June 11, 2013.

Meeting convened at 8:34 PM (ET) a quorum being present, the Chair and Secretary being present.

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Attending: Jim Boyd, John Cromshaw, R. Paul Martin (Secretary), Tony Norman, Michael Novick, Tracy Rosenberg (Chair), Raul Salvador (CFO), Richard Uzzell, Barbara Whipperman

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Agenda:

1. Roll Call
  2. Approve agenda
  3. Approve minutes
  4. Chair's report - CFO Introduction, Q2 preliminary financials
  5. Audit Update
  6. Budget Cycle Updates
  7. WBAI, WBAI Planning/Reports, Update from BAI Directors
  8. Crowd-funding Proposal
  9. Syndicated Programs and Fund Drive Pledge Handling
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Motion: (Richard Uzzell) "To approve the agenda." (Passed without objection)

Approve minutes 8:38 PM (ET)

Motion: (Jim Boyd) "To approve the minutes of the May 28, 2013, meeting." (Passed as amended without objection)

Minor corrections to the minutes were accepted.

Chair's report - CFO Introduction, Q2 preliminary financials 8:44 PM (ET)

Pacifica's new CFO Raul Salvador introduced himself to the committee. He said that the FY12 audit was going to be late. He met with Pacifica's auditors, past and present when he went to New York City some weeks ago. He said that there are additional procedures necessary when you switch from one auditor to another. The CFO said that the new auditors found that the quality of the work papers the previous auditors had maintained were not adequate, and that their work papers were of the lowest standard. He said that the new auditors have to reconcile the previous year's numbers and update them. He said that the auditors are still aiming to finish the audit by the end of June, but he thinks that they will not achieve that goal. He said that station Business Managers are not as responsive to requests for information as they should be, and that they were not getting the direction they needed. He is planning to streamline procedures for the future. He will go through the Management letter and address those issues. He said that the interim Executive Director is talking to the CPB about getting a deadline extension for the audit. He expects to be able to send the NFC an E-mail update by the end of the week.

Budget Cycle Updates 9:02 PM (ET)

KPFT - Will have their local Finance Committee meeting next week where they expect to approve the station's FY14 budget. They will present it at next month's LSB meeting.

KPDK - They tried to have a preliminary meeting with the LSB but it didn't work out. They had a brainstorming session with some LSB members, some Staff and Management to discuss five budgetary priorities.

KPFA - Nothing has been entered into the budget templates yet. There was to be a Treasurer's Report at the last LSB meeting but the meeting never got to it.

WPFW - They had a local Finance Committee meeting last week, and went over budget priorities. They expect to have something by the next meeting.

WBAI - The local Finance Committee attempted to have a meeting on June 4, but couldn't get to the 26th floor where WBAI's offices are currently located.

WBAI, WBAI Planning/Reports, Update from BAI Directors 9:13 PM (ET)

WBAI was able to meet its payrolls which were in arrears for April 30, and May 15, and paid the May 30 payroll on time. The Empire State Building rent for June 1, was paid. WBAI's Spring on-air fund raiser had a goal of \$850,000 the tally ended up at \$467,000, and so far the station has collected about \$343,000. The WBAI General Manager has said that the station does not have enough money to pay the June 15, and July 1, payrolls; the station also does not have the money to pay the next \$20,000 payment on the rent which is in arrears on 120 Wall St. We are informed that the National Office does not have the reserves to pay these bills for WBAI. The General Manager has declared an emergency and has preempted all regular programming in order to do four additional days of on-air fund raising with the goal of raising a minimum of \$100,000 to meet these needs.

The CFO noted that the money to meet the payrolls came from borrowing from funds, and other stations, within Pacifica, and that Pacifica needs to take measures that will rectify the situation in New York on an immediate basis. The CFO will be meeting with the PNB tomorrow night to discuss the plan that the four WBAI Directors and the General Manager have come up with.

During the meeting the Chair forwarded some new financial statements that the CFO had sent her. It was noted that there are some large mistakes in these financial statements. And the Chair hoped that the Treasurers would help to rectify them for the next meeting.

The CFO said that no one has reconciled anything at the National Office for the last 6 months; everyone is working on the audit. No one is working on financial statements or monthly closings. The information in the new financial statements is based on what the Business Managers had entered, he said that the major problems in the documents were caused by the mis-coding of entries in the accounting software. He noted that the budget information for FY13 was never entered into the system. He is working on getting that entered.

The committee discussed the new financial statements and made recommendations.

Crowd-funding Proposal 9:44 PM (ET)

The committee discussed some of the possible proposals for projects around crowd-funding.

Syndicated Programs and Fund Drive Pledge Handling 10:04 PM (ET)

The committee went over this issue which primarily affects KPFA and KPFK at this time but which may affect additional stations in the future.

Motion: (Tracy Rosenberg) "The NFC recommends to the PNB that station fund drives be synced over similar periods of time whenever possible to maximize organizational efficiency." (Postponed to next meeting)

Motion: (Michael Novick) "To postpone the motion to the next meeting." (Passed without objection)

Adjourned 10:42 PM (ET)

Submitted by R. Paul Martin, Secretary.