

Minutes for the regular National Finance Committee meeting February 9, 2016.

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

Attending: Sam Agarwal (CFO), Fred Blair, Adriana Casenave, Joseph Davis, Brian Edwards-Tiekert (Chair), R. Paul Martin (Secretary), Tony Norman, Cerene Roberts, Barbara Whipperman, also attending were WPFW General Manager Gerald Paris, WPFW Business Manager Bud Harrison, Lydia Brazon and Nancy Sorden.

Agenda:

Roll Call (5 minutes)

Minutes Approval (5 minutes)

CFO Report (20 minutes)

Budget Review and Approval

 WPFW Budget - (15 minutes)

 WBAI Budget - (15 minutes)

Next Meeting (5 minutes)

Adjourn 10:40-----

The Chair brought up the question of the membership of Nancy Sorden who had been Treasurer of the WPFW LSB but has been elected as a Director. WPFW has not yet elected a new Treasurer. He ruled that Nancy Sorden could not be a voting member of the committee as the WPFW LSB Treasurer for this meeting, but could otherwise participate.

The Chair ruled that Bill Crosier who had been the KPFT Treasurer but was elected as a Director from KPFT could not participate in the meeting because KPFT had elected a new Treasurer.

The Chair brought up the question of the membership of Lydia Brazon who had termed out as a Director. The Chair ruled that Lydia Brazon could not be a voting member of the committee for this meeting, but could otherwise participate.

Motion: (Barbara Whipperman) "To approve the agenda." (Passed without objection)

Amendment: (R. Paul Martin) "To add 'Pending lawsuit re: copyright' after 'Minutes Approval' for 10 minutes." (fails 2 for, 7 against)

Minutes Approval 8:55 PM (ET)

Motion: (Barbara Whipperman) “To approve the minutes of the January 19, 2016, minutes.” (Passed without objection)

Motion: (Cerene Roberts) “To record Cerene Roberts as abstaining on the motion to approve the January 19, 2016, minutes.” (Passed 6 for, 1 against, 2 abstentions)

Motion: (Brian Edwards-Tiekert) “To correct the vote total in the minutes of the December 14, 2015, meeting on the amendment moved by Adriana Casenave ‘To add, “if the unit does not comply with the proviso the Executive Director and CFO will make the cuts.” (passed 45 for, 2 against, 2 abstentions)’ to read (passed 4 for, 2 against, 2 abstentions)” (Passed without objection)

CFO Report 9:04 PM (ET)

The CFO reported that the next payroll is due on February 15, 2016, but because that day is a national holiday, Presidents’ Day, the National Office needs to cut the checks on February 12, 2016. The CFO said that here is a cash flow problem in Pacifica. The CFO said that some stations regularly have a problem meeting the deadline to get their payroll money into the National Office for transfer to the payroll processing company. He said that there are communication problems because the CFO can’t easily communicate with people at some stations. He said that he doesn’t want to follow the practice of stations borrowing money from other stations. He wants LSBs to talk to their General Managers and let them know that meeting those payroll deadlines is critical. He said that recently Pacifica had to borrow \$90,000 from a bank in order to make payroll. He said that Pacifica does not have a line of credit and that the bank had made an extraordinary accommodation for Pacifica, had it not done so all of the Pacifica payrolls would have failed to be paid on time.

The CFO said that the PNB has passed a resolution that the CFO should be on all bank accounts. He said that right now he can’t see how funds are being managed and if any station’s accounting is proper or not, and he can’t tell if timely action is required. The CFO said that there is a lot of efficiency to be gained from his being able to see all of the bank accounts, including saving on bank charges for funds transfers, and that having the CFO able to see all bank accounts also prevents fraud. He said that one of the major concerns raised by the auditors is that there’s no clear accountability of which donations are being recorded in which account. There are multiple bank accounts at the stations and MEMSYS doesn’t reconcile to bank accounts so there is no assurance that all donations are accounted for. He said that he will be pushing this issue hard because it’s important for good accounting and control. The CFO said that PNB action may be required to deal with cash flow concerns in Pacifica. He said that he plans to discuss that at a later time with the auditors once he can view the details of all of the bank accounts in Pacifica.

The committee discussed the CFO’s report. Last month the PNB had passed a motion that all of the Pacifica bank accounts would be consolidated. Each station or other unit would have a separate account, but they would all be in the same bank, and the CFO would more easily be able to view them and, if necessary, make transfers that way.

Motion: (Cerene Roberts) “To extend the time for this item by two minutes.” (Passed without objection) 9:24 PM (ET)

There was a discussion about how restricted accounts should be handled.

Budget Review and Approval 9:27 PM (ET)

WPFW 9:27 PM (ET)

The committee discussed the latest WPFW draft FY16 budget proposal. The WPFW Business Manager said that he would be the point of contact for the CFO about WPFW’s budget. He said that the new draft budget more accurately reflected WPFW’s cash flow. The \$23,000 expense for a new transmission line was taken out because it’s being paid for by a loan. How to account for this expense was discussed.

Motion: (Brian Edwards-Tiekert) “To extend the time for this item by 15 minutes.” (Passed without objection) 9:46 PM (ET)

Motion: (Adriana Casenave) “To make the adjournment time for this meeting 10:00 PM (ET).” (Passed without objection)

The committee continued to discuss the WPFW draft FY16 budget proposal.

Motion: (Adriana Casenave) “To send the WPFW FY16 budget back and consider it at the next NFC meeting with revised numbers.” (Passed without objection)

The committee discussed the motion.

Motion: (Brian) “To meet next on February 23, 2016, at 8:30 PM (ET).” (Passed without objection)

The Chair asked that the WBAI Treasurer and General Manager talk about the WBAI draft FY16 budget proposal before the next meeting.

Adjourned 10:02 PM (ET)

Submitted by R. Paul Martin, Secretary.