

Minutes for the regular National Finance Committee meeting June 23, 2020.

Meeting convened at 8:45 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Nick Arena, Teresa J. Allen, Fred Blair, Chris Cory, DeWayne Lark, R. Paul Martin (Secretary), James Sagurton (Chair), Anita Sims (interim CFO), Nancy Sorden, Polina Vasiliev.

Agenda:

1. Convene Meeting 8:30PM (ET)
 2. Roll call
 3. Approve Agenda
 4. Minutes Approval (5 minutes)
 5. Executive Director Lydia Blazon Report (15 minutes if available)
 6. Interim CFO Anita Sims Report (15 minutes)
 7. Use of common procedures: Chart of Accounts, *MAS 500*, Access for NETA to all Pacifica accounts (15 minutes)
 8. Budgets (15 minutes)
 9. Central Services Formula (15 minutes)
 10. Referred Motion from PNB on Sideband Revenues (10 minutes)
 11. New Business
 12. Adjourn no later than 10:15PM (ET)
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Motion: (James Sagurton) “To approve the agenda.” (Passed without objection)

Minutes Approval 8:48 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the June 9, 2020, meeting.” (Passed without objection)

Motion: (R. Paul Martin) “To postpone the agenda item ‘Executive Director Lydia Blazon Report.’” (Passed without objection)

Interim CFO Anita Sims Report 8:56 PM (ET)

The Chair announced the good news that Pacifica has been awarded about \$1.2 million in a Paycheck Protection Program (PPP) loan from the government.

The interim CFO told the committee that NETA has done May’s financials but she wasn’t prepared to present them at this meeting. She said we should discuss them at the next meeting. She said that she wanted to talk about working with staff on building budgets. She noted that no

budgets have been available for about three or four years. She suggested that we use a common template across all of the stations for the ease of importing the financial data into any kind of accounting software that we'll use. She said she'd like to review the Chart of Accounts and standardize it because there's a lot of duplication now. She said that she wants all of the stations to share common procedures and implement them as relates to accounting practices. She said that we should know the NETA timeline for the month-end close. She said the process during the month would be to send information from stations, and that NETA needs to gain access to view bank accounts so that cash can be tracked. She said that this would also help NETA to develop a good cash flow analysis that we can review. She said that she didn't have a current balance sheet and wouldn't until we get current with the audits. She said that the auditors have responded and they're waiting for the interim Executive Director to comment on the "going concern" which they've shared with her. She said that the PPP funds are available in the account, and the interim Executive Director had authorized NETA to transfer some money to the National Office account to help with payroll, etc. She said the funds are available now. She said they would transfer those to the regular National Office operating account and there would be distribution of those funds. She said that the interim Executive Director and Tamra Swiderski were working with that. She said that this should all be done by Friday.

The committee discussed the details of the PPP loan and how it was allowed to be used. In answer to a question the interim CFO said that stations are working on giving NETA the ability to see their bank accounts, although there's been no progress on getting all of the stations to use *MAS 500*. She said she'd report on the progress at the next meeting. She discussed the need for the Chart of Accounts being uniform for all stations, and said that she'd work on that along with the FY19 audit. In answer to a question the interim CFO said that the FY18 audit is done, but it's not posted yet. She said the auditors have to work with the interim Executive Director on the "going concern" issue for the audit.

Call for the orders of the day.(R. Paul Martin) 9:34 PM (ET)

Motion: (Chris) "To extend the time for this item by five minutes." (Passed without objection) 9:34 PM (ET)

In answer to a question the interim CFO said that the \$1.2 million from the PPP loan is already available for Pacifica and is in a bank in Denver, CO. That's the bank that Pacifica worked with in order to get the loan. She said that money would be transferred from that account as needed.

Use of common procedures: Chart of Accounts, *MAS 500*, Access for NETA to all Pacifica accounts 9:36 PM (ET)

Since a lot of this was already covered the committee moved the agenda.

Budgets 9:38 PM (ET)

The Chair said that the budgets should help us to figure out how to deal with the loans. The interim CFO said that the budgets could be based on FY19 actuals and from there NETA could

build a cash flow balance and from there we could figure out how to deal with debt service. The committee discussed the budget timelines that have been used in the past. It was noted that pushing the timeline for the FY20 budgets back by three months did not help to get those budgets done. It was suggested that the committee drop any work intended to push forward the FY20 budgets and concentrate on starting the FY21 budgets. Adjusting budgets during the course of a year was discussed. The interim CFO said that NETA will do whatever the NFC wants, and it will be a lot of work. She said that they have to look at where they put their energy. She noted that they have to work on the FY19 audit, and they need to have station Staff cooperate with them.

Motion: (Nancy Sorden) “To extend the time for the meeting by 15 minutes.” (Passed without objection) 10:13 PM (ET)

The committee continued discussing the FY21 budget timeline. The interim CFO said that NETA has four people working on Pacifica issues, and that as for when she could meet with Treasurers to outline budget development process and paperwork submission, and call for budget Priorities to be discussed in various venues, that it would be feasible in mid-July at the earliest. The interim CFO said she’d send out a new budget template.

Motion: (Chris Cory) “To extend the time for the meeting by five minutes.” (Passed without objection) 10:30 PM (ET)

The Committee discussed the FY21 budget timeline issue.

Motion: (DeWayne Lark) “To extend the time for the meeting by seven minutes.” (Passed without objection) 10:34 PM (ET)

Motion: (Polina Vasiliev) “That the NFC ask the PNB to instruct the Local Finance Committees to come up with budget priorities for FY21, in consultation with the CFO within four weeks of approval.” (Fails 3 for, 5 against, 2 abstentions)

The Committee discussed the motion.

Motion: (Chris) “To extend the time for the meeting by three minutes.” (Passed without objection) 10:44 PM (ET)

The Committee continued to discuss the motion.

Adjourned 11:05 PM (ET)

Submitted by R. Paul Martin, Secretary.