

Minutes for the regular National Finance Committee meeting January 14, 2010.

Meeting convened at 8:36 PM (ET) a quorum being present, the Chair and Secretary being present.

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Attending: Grace Aaron, Sherry Gendelman, Mike Jones, Luzette King, Fred Klunder, R. Paul Martin, Jamie Ross, Lavarn Williams, Susan Young, also attending were Executive Director Arlene Engleheart, National Technical Director Jon Almeleh and Berthold Reimers.

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Agenda:

1. WPFW budget
  2. National Office budget
  3. Revenue policy
  4. Response to auditor's letter
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The Chair welcomed R. Paul Martin back to the committee.

Motion: "To approve the agenda." (passed without objection) 8:42 PM (ET)

WPFW budget 8:42 PM (ET)

The committee discussed the WPFW FY10 budget proposal. It was noted that the CPB is granting some extra stimulus money and that's in this budget. National Technical Director Jon Almeleh outlined the problems with WPFW's transmitter and other equipment.

Motion: (Jamie Ross) "Based on minimal review, the NFC recommends that the PNB approve the WPFW budget. The NFC notes that this budget calls for an increase in revenue of 35% over last year's actuals. Therefore, The NFC recommends that the PNB request that WPFW Management produce a contingency plan by February 20, 2010, regardless of income received up to that point." (Passed without objection)

National Office budget 9:49 PM (ET)

The committee discussed the National Office FY10 budget proposal. After the discussion it was decided to postpone further consideration of it to the next meeting.

Revenue policy 10:22 PM (ET)

Pacifica Executive Director Arlene Engleheart brought to the committee the draft of a document named "Pacifica Foundation Fiscal Accountability." Part of it is confidential, but the below part is not confidential.

"How would the system work?

The National Office would create 6 "Station Revenue Accounts" one for each of the five stations and one for the archives in the cities where they are located. Both the National Office and designated station personnel could monitor their respective accounts, e.g., WBAI and National Office could monitor the WBAI Revenue Account, the Archives and National Office could monitor the Archives Revenue Account, etc. Only the National Office could transfer funds out of these Revenue Accounts.

- All revenues received by the station would be deposited in the revenue account.
- On the first of each month, the National Office would transfer the budgeted funds for each station to the station Operating Account (excluding payroll expenses). Stations would have total control of their Operating Account.
- Payroll expenses for each station would be transferred to the National Office Payroll Account (National Office issues all payroll checks).

- Central Services allocation for each station would be transferred to the National Office Account.
- Restricted funds would be transferred to the Station Restricted Account(s). Restricted Accounts would belong to the respective stations, e.g., KPFA Restricted Account, Heath Fund; WPFW Restricted Account, Dr. Leonard Fund, etc. The National Office would control the Restricted Accounts.
- Any exception to the above would require the approval of the NFC and/or the PNB.

This system will provide fiscal accountability in the areas of 1) Collection, 2) Deposits, and 3) Expenditures.

- All funds collected will be deposited in the Station Revenue Account. This includes: checks, credit card contributions, Pay Pal, Lock Box, Federal and other grant income. I will institute a study to determine that we are using the most expeditious means of collection.
- Deposits will be monitored and reconciled by the National Office.
- Expenditures will be limited to the monthly deposit to the Operating Account. This will ensure that each station operates within its budget. In order to be accountable to the board, the National Office has to control the purse strings. There will be a "contingency amount" in each Station Operating Account to allow for emergency and unexpected expenses. The station will have to account for these contingency funds before they will be replenished."

The Executive Director said that she wanted feedback from the committee regarding the document. She noted that at KPFA a check for \$375,000 had been found sitting in a desk drawer after 14 months, the \$1,000,000 gift to WPFW had only been one fifth fulfilled, at WBAI there were problems with receiving revenues due to mistakes made with P.O. Boxes and that there were other problems that could have been prevented if the National Office were to get the first look at actual developments. She said that things were running amok, and that a confidential Management letter from the auditor made Pacifica even more liable for lapses. The committee discussed this proposal.

Motion: (Susan Young) "That the committee endorse the policy." (passed 5 for, 1 against, 1 abstention)

Amendment: (Mike Jones) "The NFC recommends that this motion be referred back to the Executive Director and for the inclusion of a standard business case that starts with problem analysis presents options, issues, risks, impacts and analysis and which references the current environment, and precedes the recommendation ." (Fails 1 for, 6 against)

Motion: (Jamie Ross) "To adjourn" (passed without objection)

Adjourned 11:38 PM (ET)

Submitted by R. Paul Martin, Secretary